



MIAMIBEACH

# **Convention Center District**

## **Developer Letter of Intent Comparison**

May 15, 2013

# Proposal Comparison

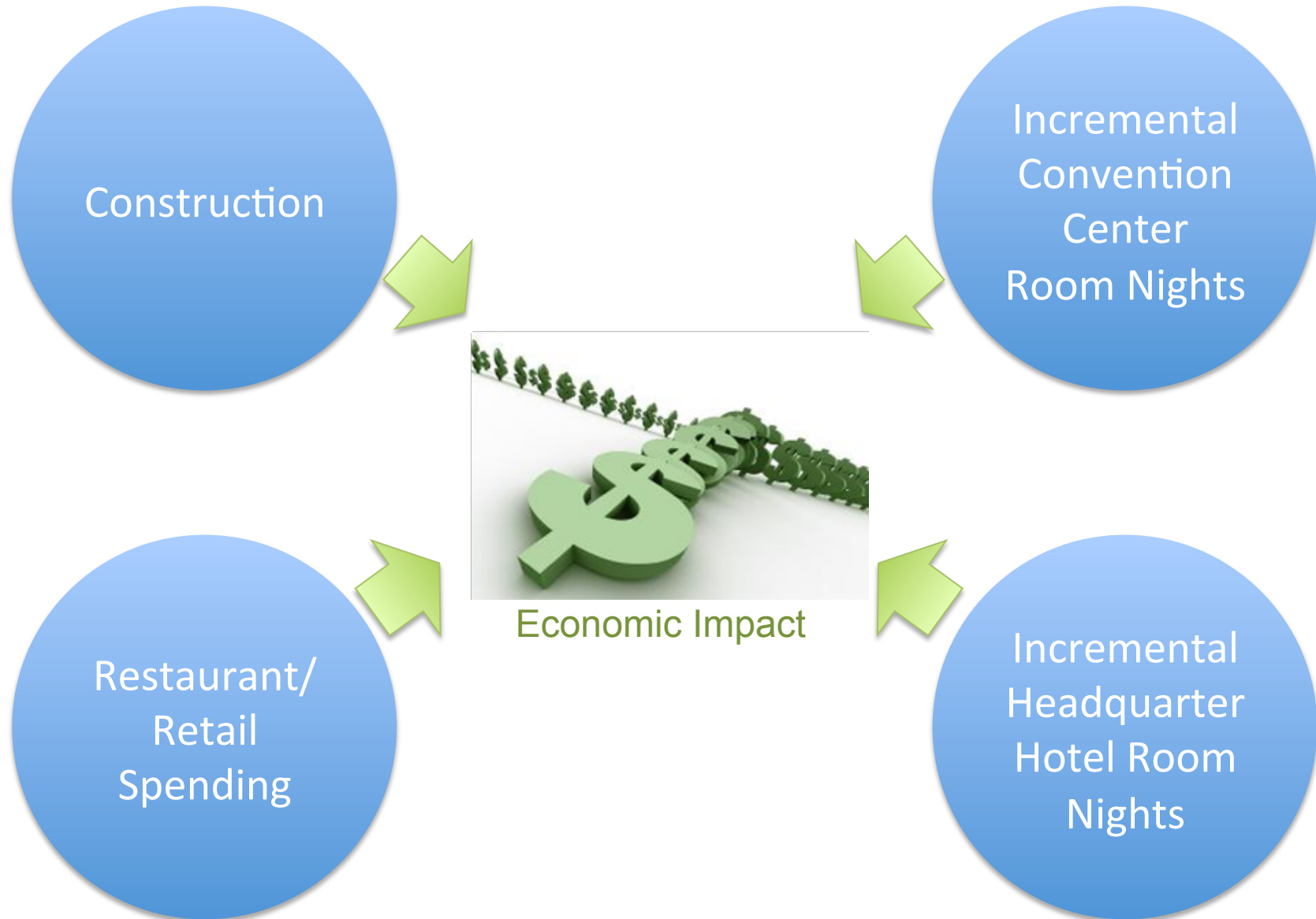
- Economic Impact
- Teams
- Master Plan & Program
- Land Leases
- Public Costs
- Public Financing
- Private Investment
- Timeline
- Miscellaneous Terms
- Key Differences

# Proposal Comparison

- Economic Impact
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# Key Economic Impact Drivers

May 15, 2013





# Construction Impact

**Portman-CMC**
**South Beach ACE**

## Spending

**\$825m**

Direct Construction

**\$762m**
**650m**

Indirect/Induced

**600m**
**\$1,475m**

Total Spending

**\$1,362m**
**12,300**
**Jobs**
**11,300**

\* Portman has higher construction impact due to more proposed program areas.

# Expenditures Per Day

May 15, 2013

Convention Delegates		Hotel Guests	
<b>Delegate</b>		<b>Hotel Guest</b>	
Lodging	\$145	Lodging	\$245
Hotel Restaurants	32	Hotel Restaurants	32
Other Restaurants	55	Other Restaurants	55
Recreation	10	Recreation	10
Retail Stores	33	Retail Stores	33
Transportation/Other	36	Transportation/Other	36
Subtotal	311	Subtotal	411
Meeting Planner/Exhibitor	226	Meeting Planner	88
Total	\$537	Total	\$499

Source: Destination Marketing Association International; Greater Miami Convention & Visitors Bureau.

# Annual Economic Impact

## Incremental Direct Spending

Convention Center Room Nights	\$32m <sup>1</sup>
Headquarters Hotel Room Nights	74m <sup>2</sup>
Restaurant/Retail Spending	37m <sup>3</sup>
Subtotal	143m

Indirect/Induced Spending	107m
Total Annual	\$250m

Jobs	2,300
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<sup>1</sup> Convention Center room night impact of 30% based on comparable destination impacts; \$537 per room night spending based on DMAI.

<sup>2</sup> Headquarters Hotel room nights based on new transient/in-house group rooms; excludes citywide room nights captured in Convention Center; DMAI spending adjusted for increased average rate.

<sup>3</sup> Restaurant/retail spending excludes spending captured in Convention Center and Hotel spending.

# Proposal Comparison

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# Key Team Members

Portman-CMC

South Beach ACE

Portman Holdings  
CMC Group

Master Developer

Tishman Hotel & Realty  
UIA Management

Master Developer

Design Builder

Master Developer or Affiliate

Bjarke Ingles Group  
John Portman & Associates  
Fentress Architect  
West 8  
Revuelta Architecture Intl.

Lead Architects

OMA  
tvsdesign  
Michael Van Valkenburg Assoc.  
Raymond Jungles

Greenberg Traurig

Legal

Bilzen, Sumberg, Baena, Price &  
Axelrod

Piper Jaffray  
Brookfield Financial  
Holliday Fenoglio Fowler

Financial

Goldman Sachs



# Approach

- Mid January - Kick off meetings with each developer to outline deliverable expectations
- Late February – Master Plan review and comment
- Late March – Master plan review and comment
- Early April – Draft Letter of Intent provided
- Mid April – Half day negotiating session with each team
- May 3 – Pencils down, Letter of Intent due
- LOIs reviewed and comparison drafted
- Developers reviewed comparison three times to confirm accuracy of facts
- Last Developer edits entered Monday May 13

# Proposal Comparison

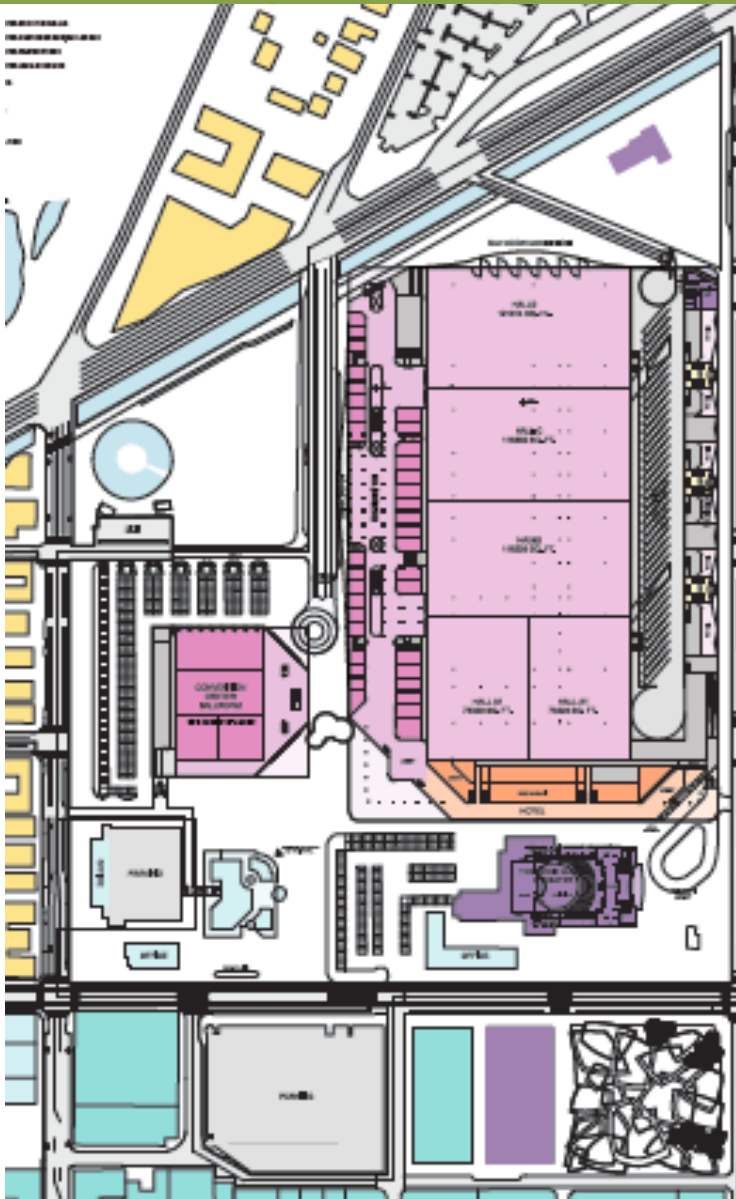
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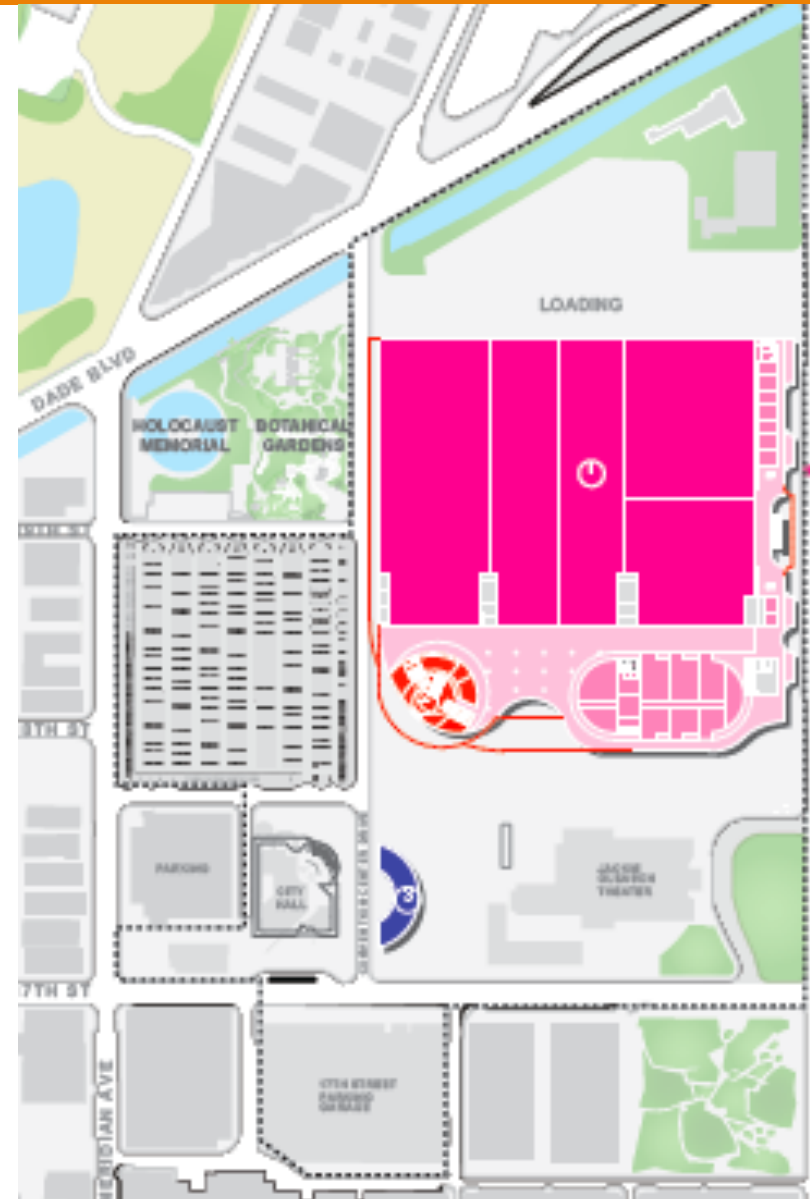


# Base Case Master Plan

Portman-CMC



South Beach ACE



# Convention Center Program

Portman-CMC	Square Feet	South Beach ACE
<b>502,000</b>	<b>Total Exhibit</b>	<b>502,000</b>
402,000	Renovated	353,300
100,000	New	148,700
<b>100,000</b>	<b>Total Ballroom</b>	<b>100,000</b>
60,000	New Master	60,000
20,000	New Jr. #1	20,000 *
20,000	New Jr. #2	20,000 *
		<i>Can be combined to 40,000</i>
<b>150,000</b>	<b>Meeting Space</b>	<b>150,000</b>
71,700	Renovated	52,500
78,300	New	97,500
<b>1,195,556</b>	<b>Gross Building</b>	<b>1,318,142</b>
<b>22.0 acres</b>	<b>Foot Print</b>	<b>22.2 acres</b>
(includes Center, loading docks, and Center parking)		(includes Center, loading docks, and Center parking)
		<b>16.3 acres Center only</b>



May 15, 2013

# Convention Center Level 1

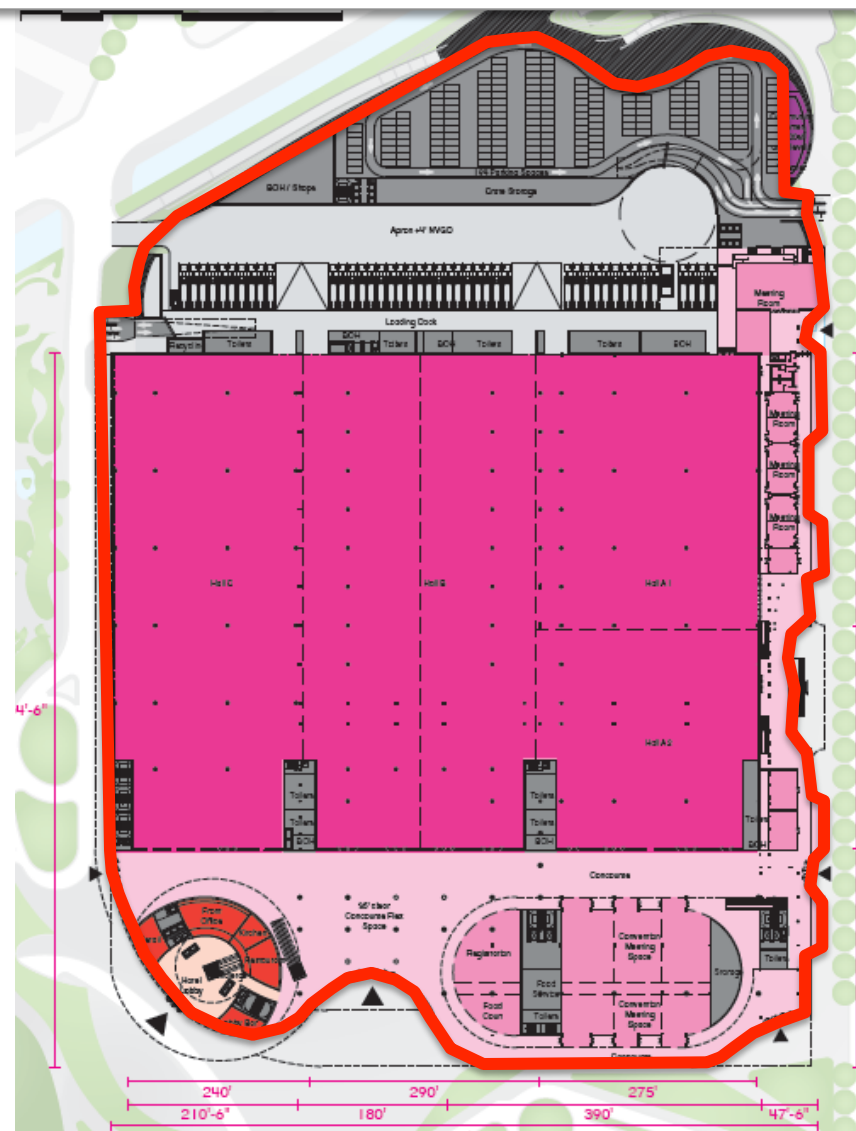
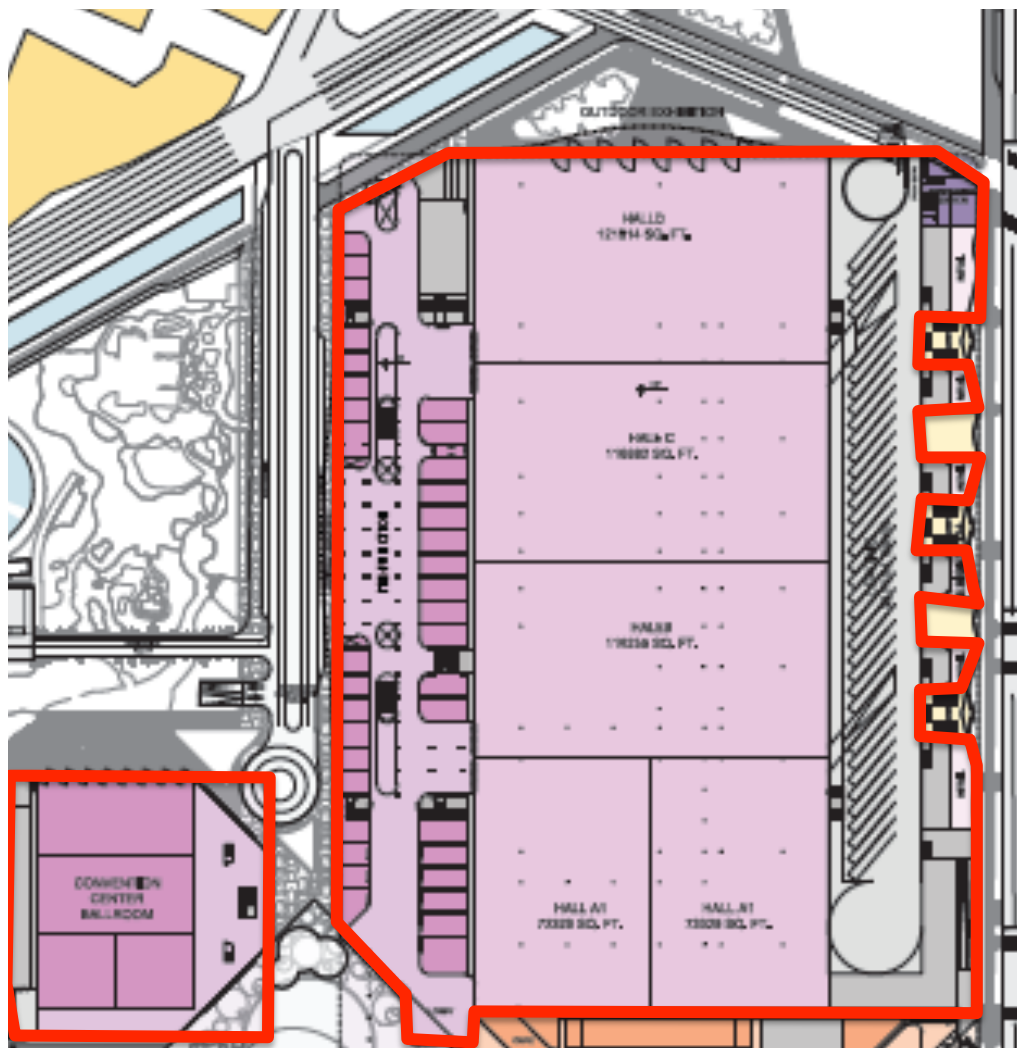
Portman-CMC

22.0 Acres

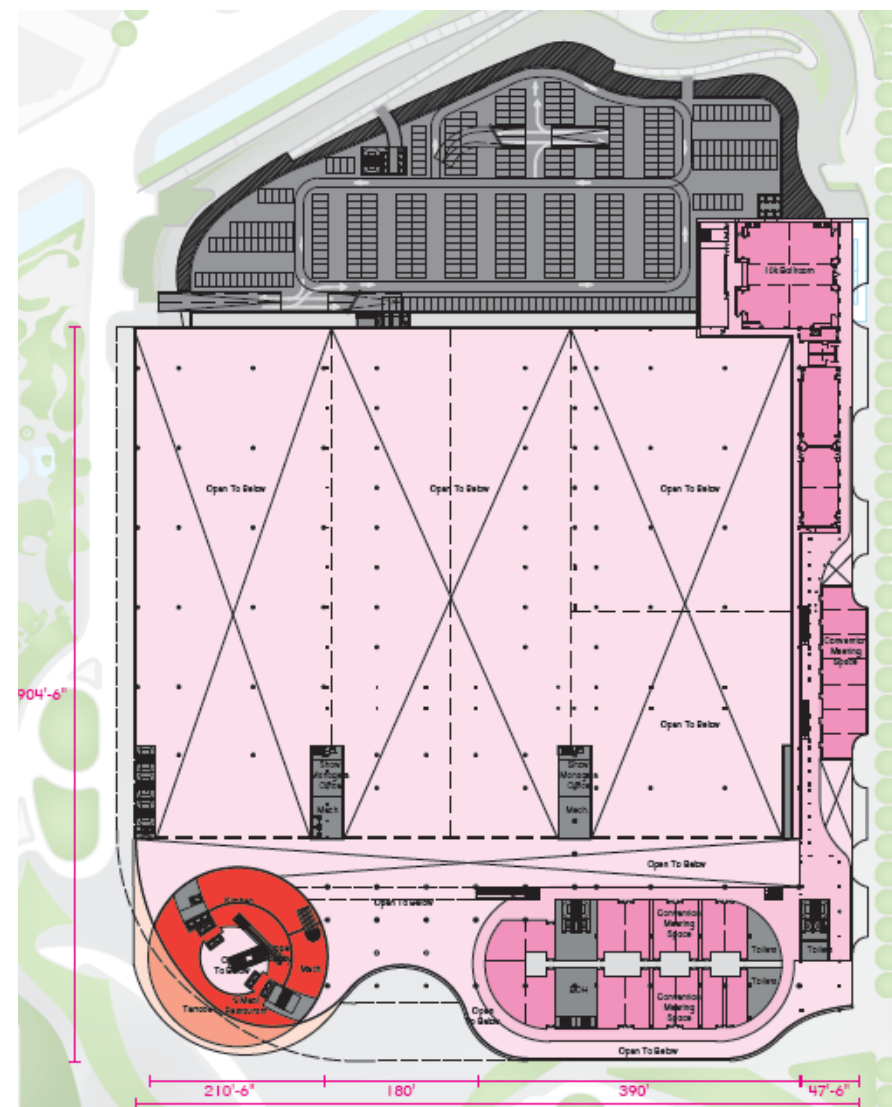
South Beach ACE

Footprint

22.2 acres



# South Beach ACE



# Convention Center Level 2.5

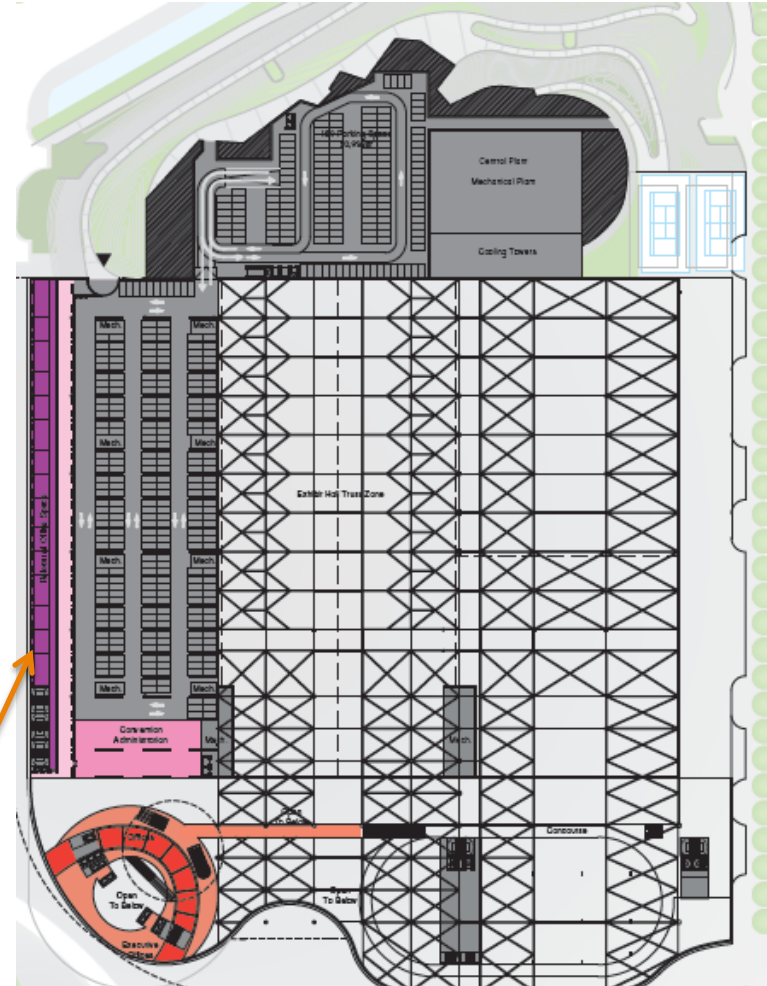
May 15, 2013

Portman-CMC

South Beach ACE

Nothing in  
Portman Plan at  
This Level

Rebuilt 555 17<sup>th</sup>  
City Offices and  
Offices in  
Community  
Center

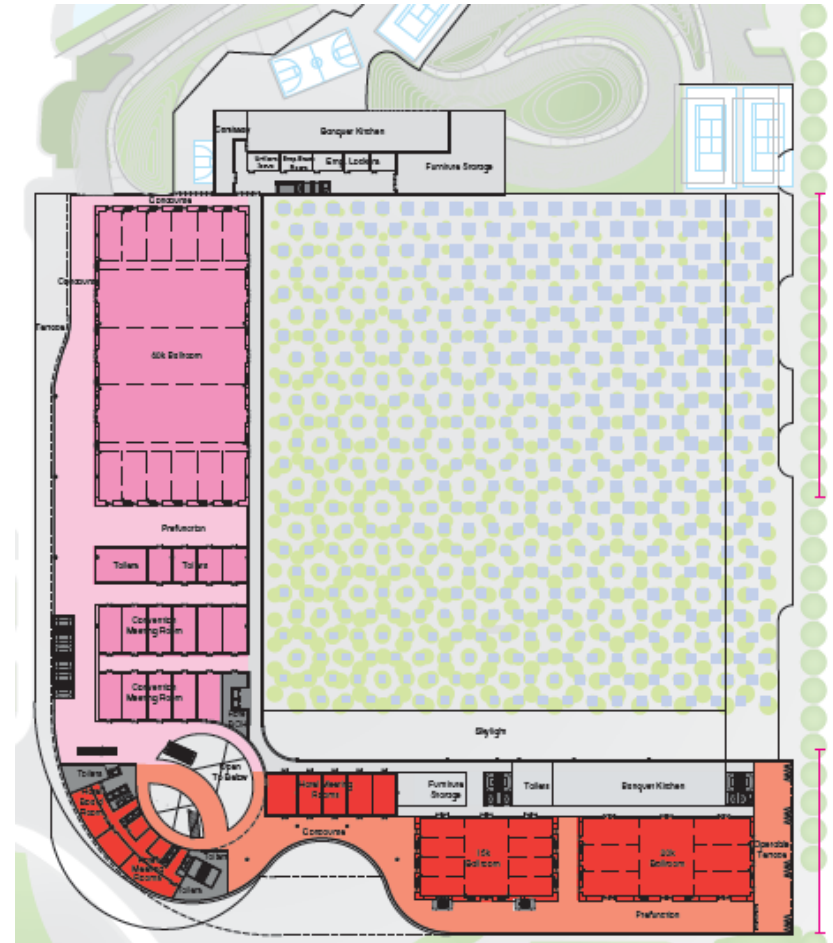
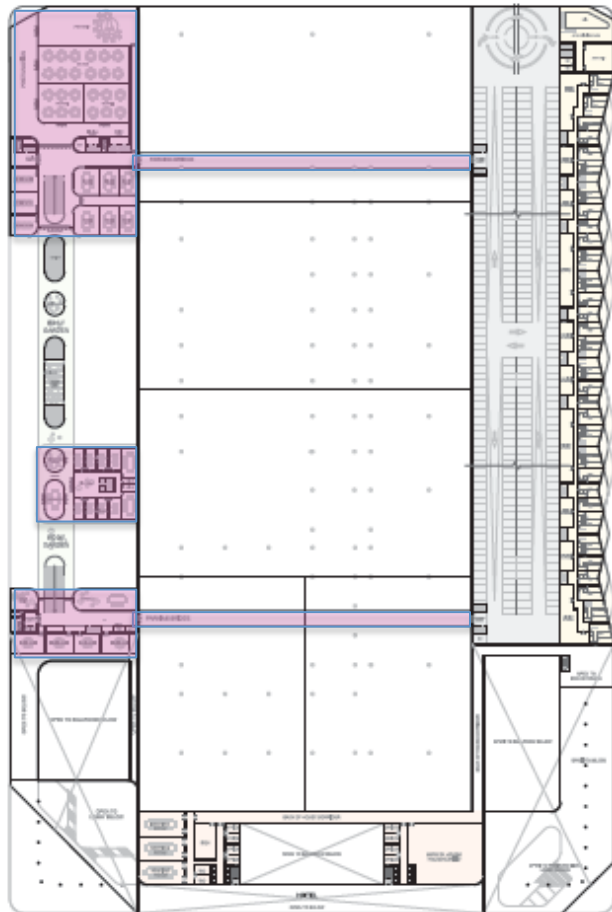


# Convention Center Level 3

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Portman-CMC

South Beach ACE





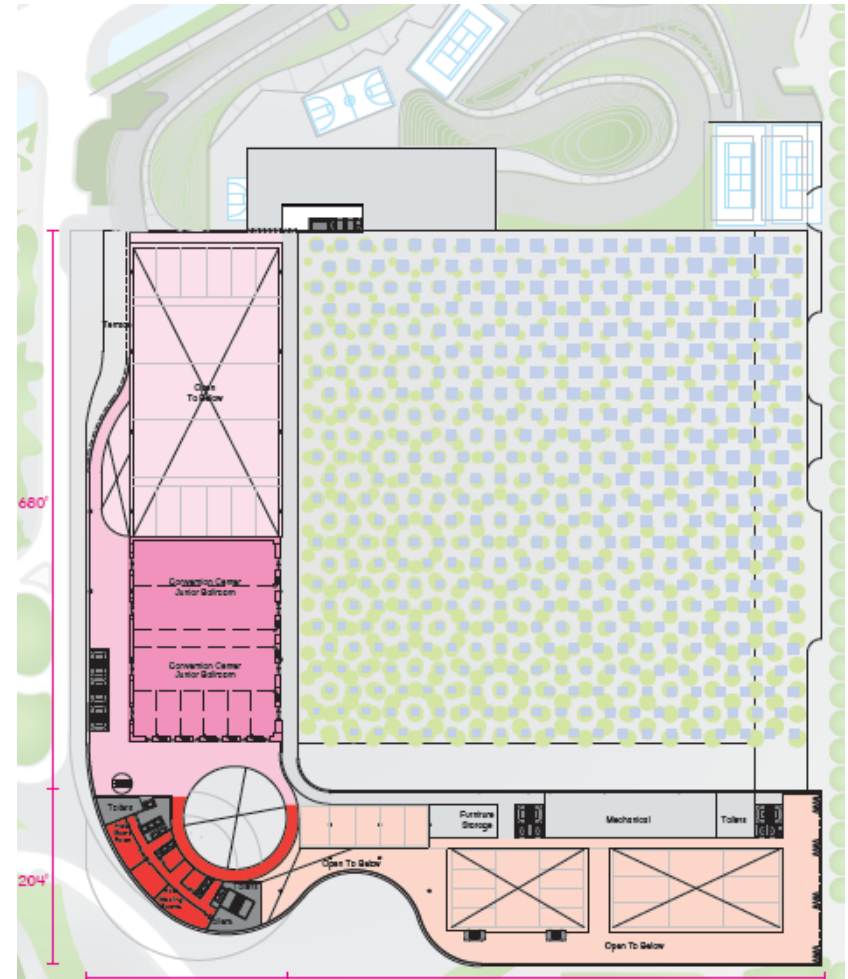
# Convention Center Level 4

May 15, 2013

Portman-CMC

South Beach ACE

Nothing in  
Portman Plan at  
This Level

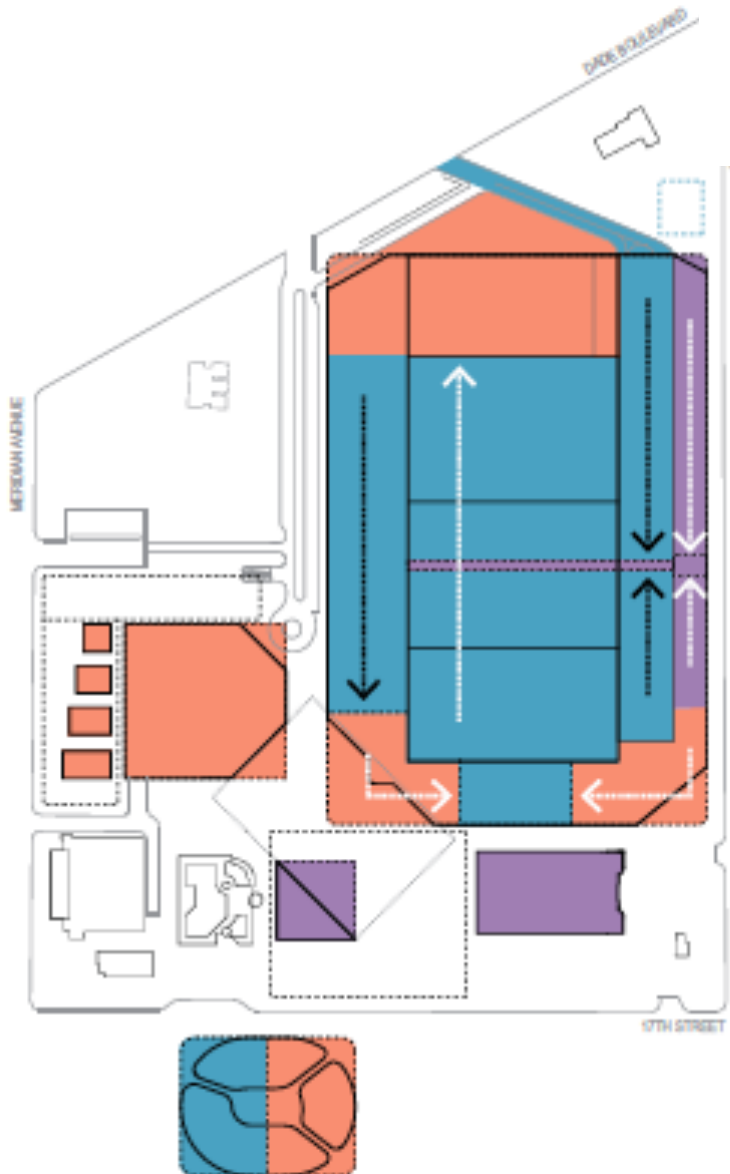




# Phasing Difference

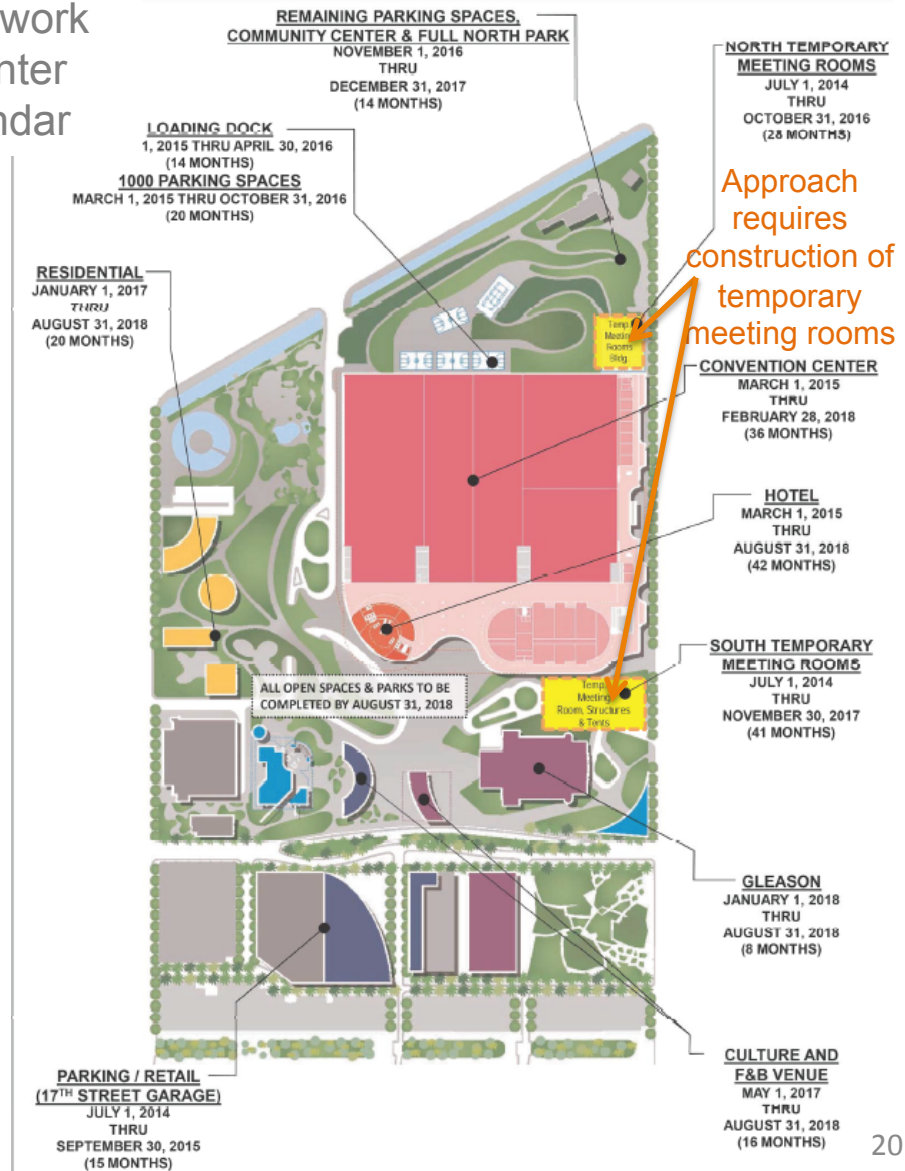
May 15, 2013

## Portman-CMC



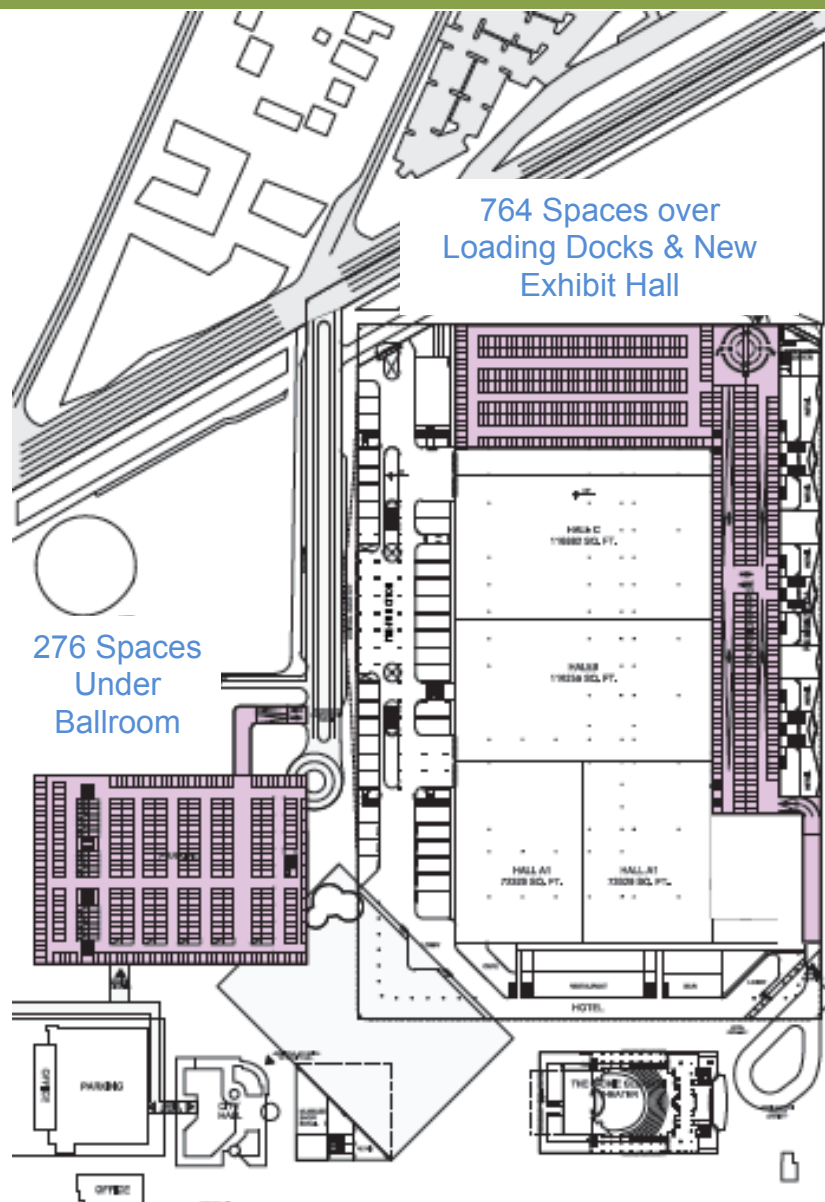
Both teams work  
around Center  
event calendar

## South Beach ACE



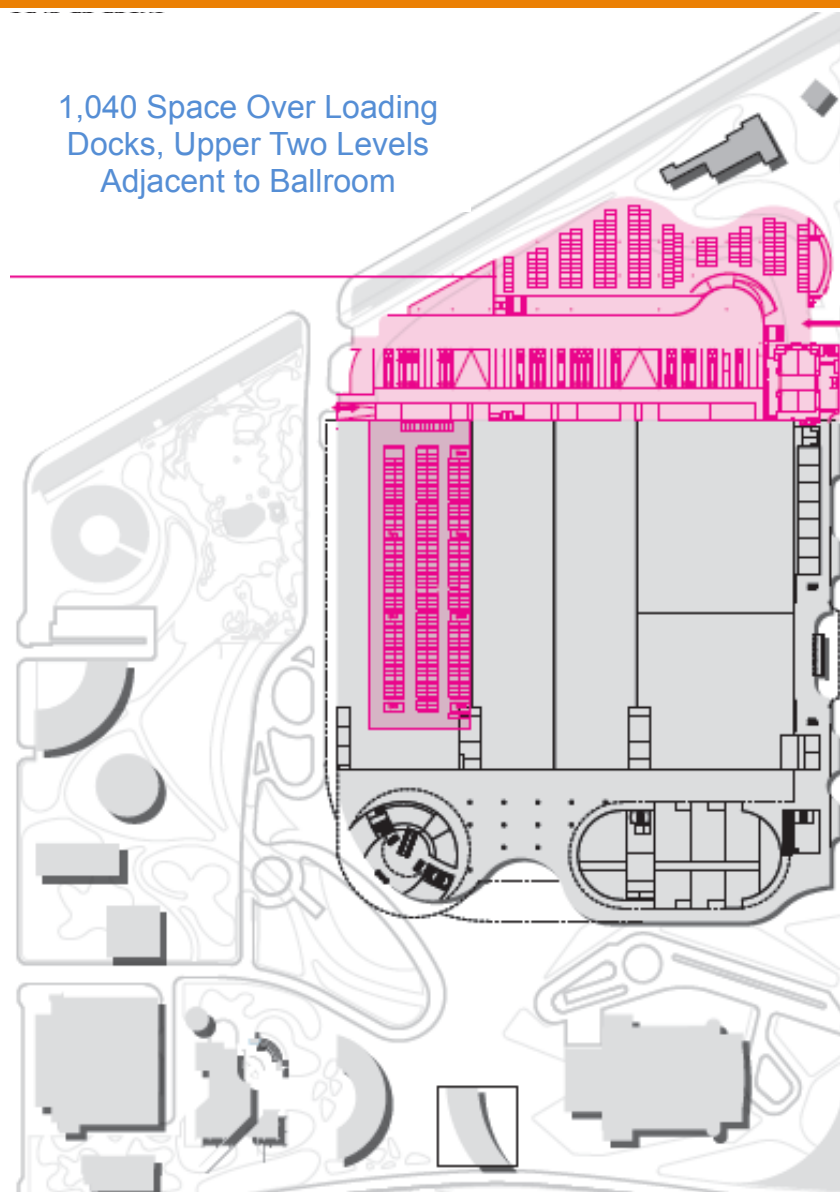
# 1,040 Center Controlled Parking

## Portman-CMC



## South Beach ACE

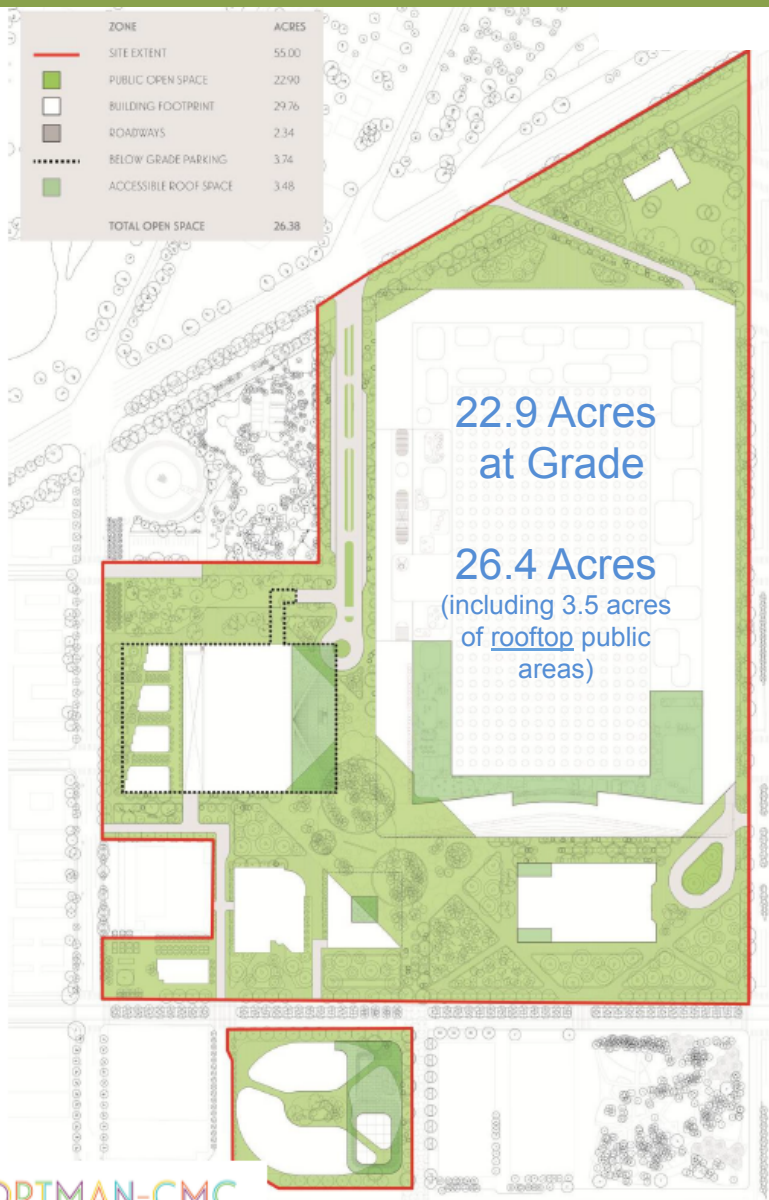
1,040 Space Over Loading Docks, Upper Two Levels Adjacent to Ballroom



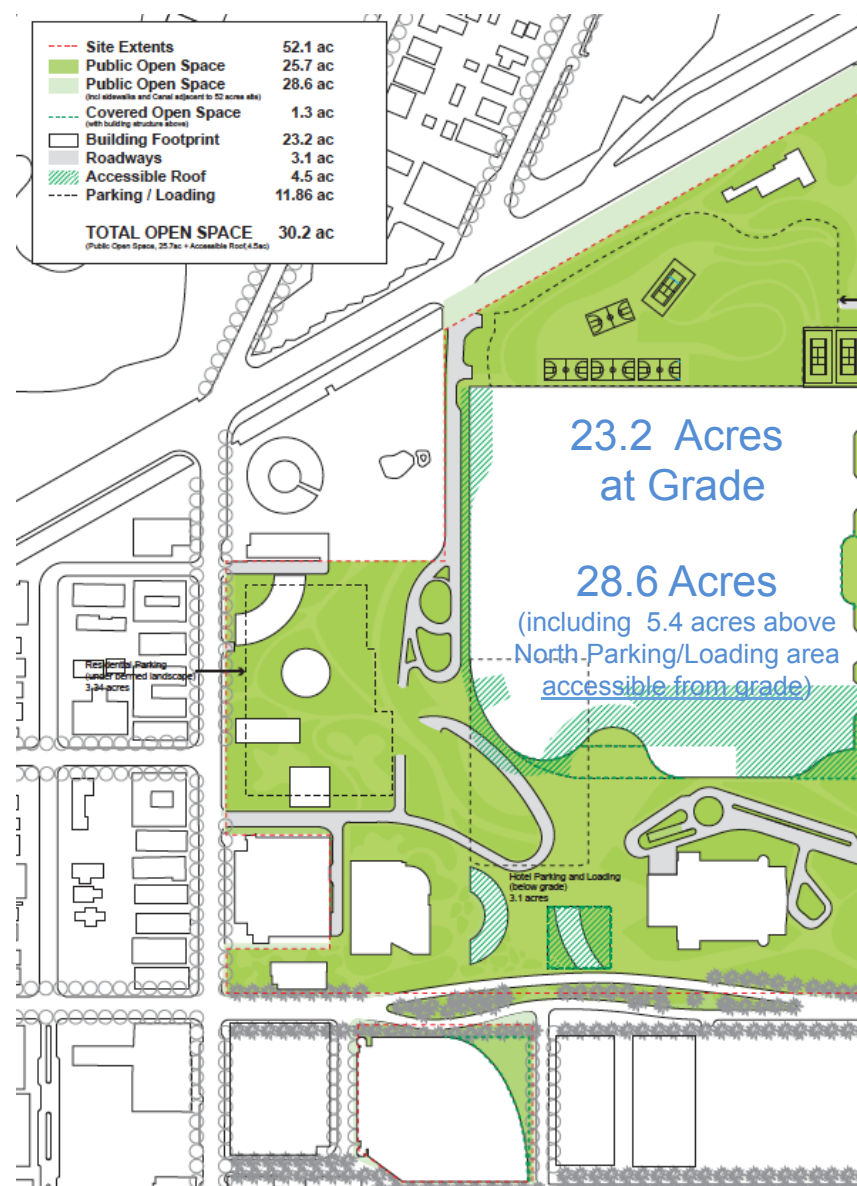


# Public Amenities

## Portman-CMC



## South Beach ACE



# Theater

May 15, 2013

## Portman-CMC

- Renovation costs to be contributed by developer - \$18.5m
  - Restore original entrance façade
  - Bathroom renovation
  - Lighting & lobby circulation
  - Technology upgrades
- Lease facility to Developer for an amount maintaining current City revenue stream
- Maintain 2,700 seat capacity
- Maintain LiveNation-type events

## South Beach ACE

- Proposed a renovation cost and scope and a path to undertake post selection due to current LiveNation agreement
- Theater renovation costs not included in Public Budget
- All landscaping areas around the Theater are included in Public Budget
- Developer will work with the City to renegotiate the LiveNation agreement
- Targeting refurbishment costs paid for with enhanced operator agreement

# Transportation

## Portman-CMC

- 17<sup>th</sup> Street Median
- Dedicated off-street drop off facilities for cars and busses
- Closure of Convention Center Drive between 17<sup>th</sup> and 18<sup>th</sup> Street
- Internal circulation loop for service and valet function
- Center parking off Dade Blvd to lessen traffic on 17<sup>th</sup> Street
- Extension of 20<sup>th</sup> Street providing access of Dade Blvd.
- Additional traffic signal at Dade Blvd.
- Relocate 17<sup>th</sup> signal to Pennsylvania
- Recommends implementation of broader Smart Parking technologies and Traffic Signal Controls, but not included in budget

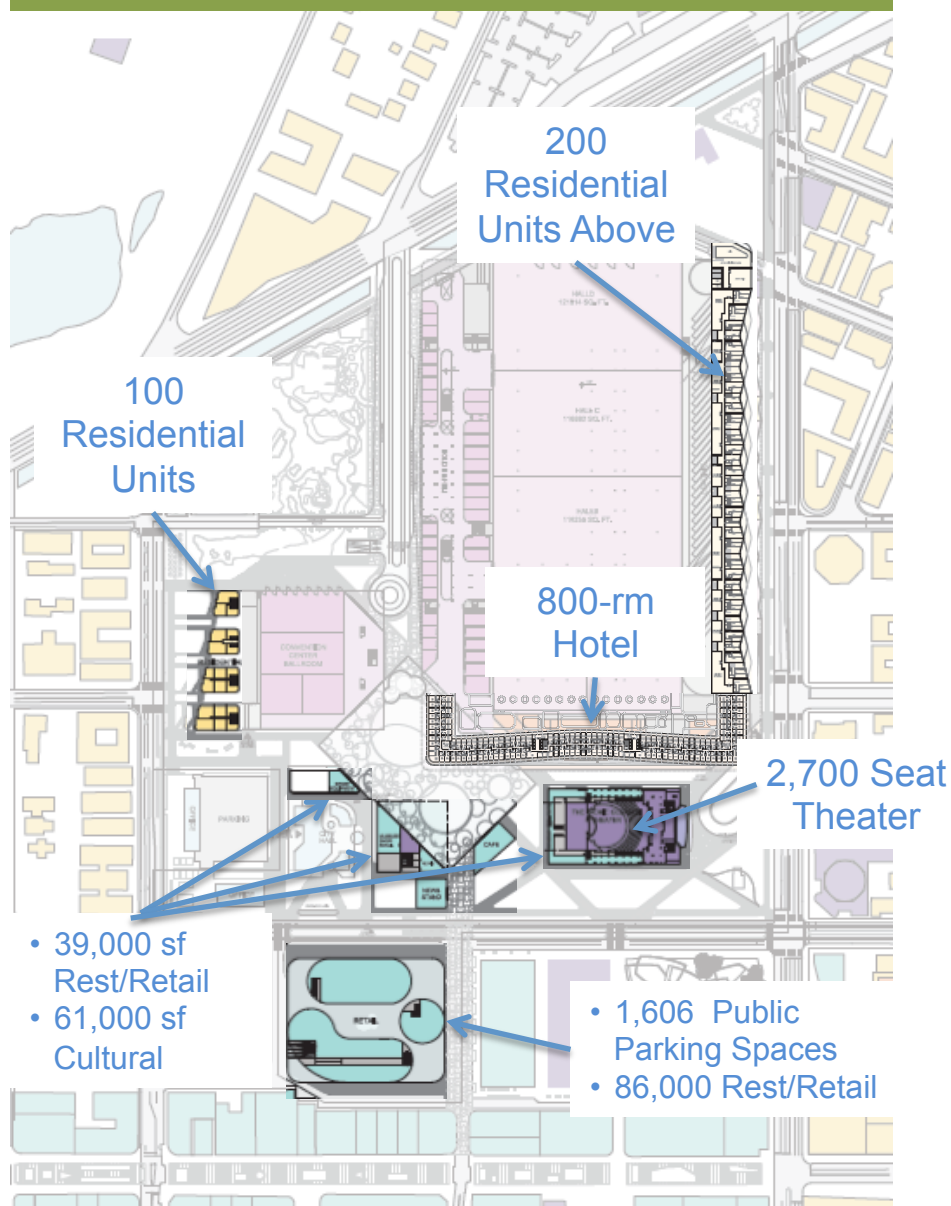
## South Beach ACE

- 17<sup>th</sup> Street Median
- Dedicated off-street drop off facilities for cars and busses
- Closure of Convention Center Drive between 17<sup>th</sup> and 18<sup>th</sup> Street
- Internal circulation loop for service and valet function
- Center parking off Dade Blvd to lessen traffic on 17<sup>th</sup> Street
- Digital signage indicating parking occupancies (including on-site garage technology infrastructure)
- Static signage at causeway entries
- RFID controlled bollards to limit traffic at Palm View & Bayshore (3 locations)
- Proposed traffic management strategies to off-set Center traffic

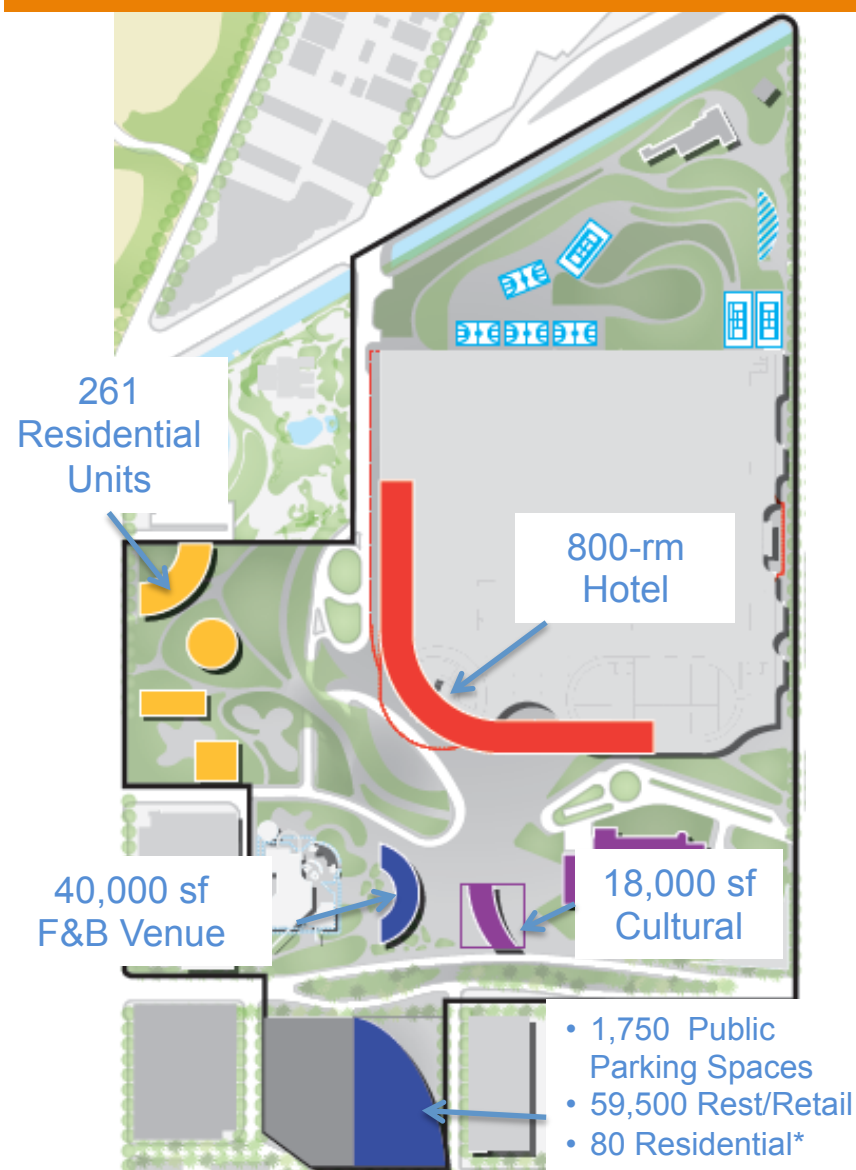


# Private Components

## Portman-CMC



## South Beach ACE



\*Future phase, excluded from all financials herein.

# Private Program Summary

May 15, 2013

Portman-CMC		South Beach ACE
800 rooms 69,600 sf meeting 20,900 sf F&B	Hotel	800 rooms 55,000 sf meeting 16,380 sf F&B 40,000 sf F&B Venue
300 units	Residential	341 units (261 Phase 1 + 80 in a future phase)
125,000 sf	Retail/ Restaurant	59,500 sf (99,500 Including F&B Venue)
2,700 seats Redevelops	Theater	2,700 seats Plan to upgrade in the future
61,000 sf	Cultural	18,000 sf
2,755 spaces	Private Parking	3,101 spaces
Parking requirements under review by City		

# Retail/Restaurant Summary

May 15, 2013

Portman-CMC	SF	South Beach ACE
20,900	Hotel F&B	16,380
39,000	North of 17 <sup>th</sup>	40,000
		Hotel F&B Venue
86,000	17 <sup>th</sup> Street Parking Garage	59,500
125,000	Subtotal	99,500
61,000	Cultural	18,000
186,000	Total w/o Hotel Base F&B	117,500

# Public & Private Parking

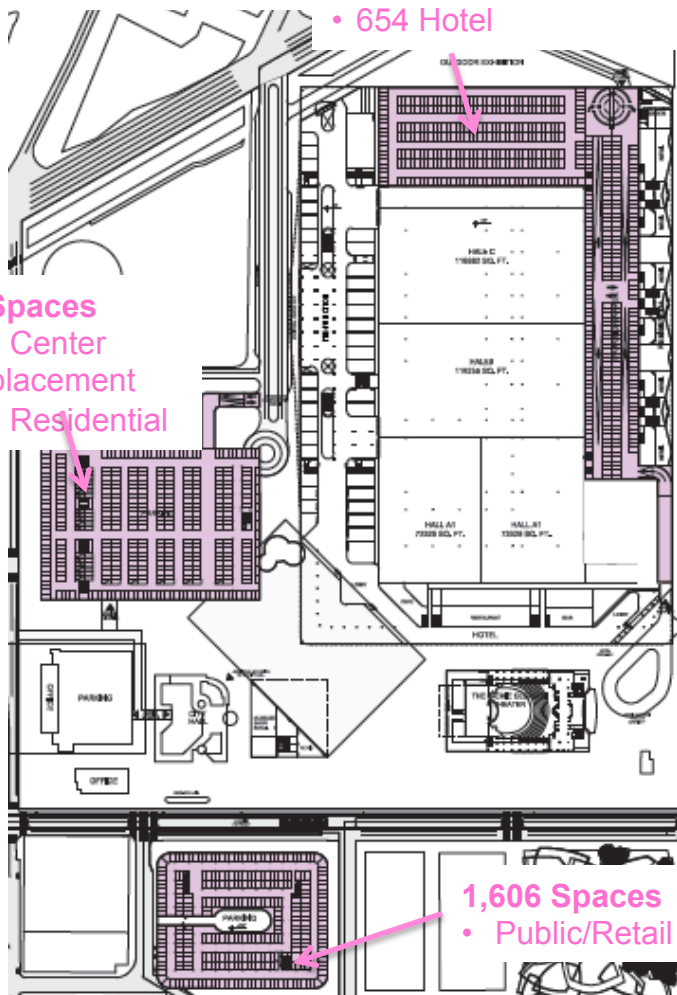
## Portman-CMC

**3,795 Total Spaces**  
**1,305 net new**

- 1,748 Spaces
  - 764 Center Replacement
  - 330 Residential
  - 654 Hotel

**441 Spaces**

- 276 Center Replacement
- 165 Residential



## South Beach ACE

**4,141 Total Spaces**  
**1,651 net new**

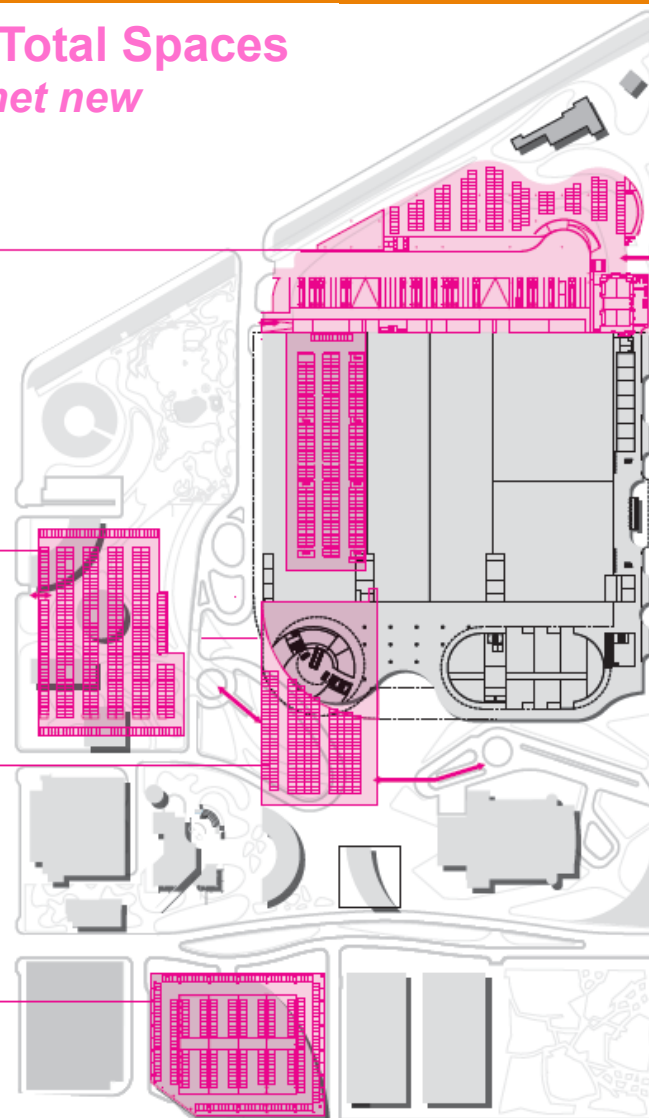
**1,388**  
 REPLACEMENT:  
 1040 (100%)

**HOTEL : 348**  
 (41%)

**503**  
 RESI : 503 (100%)

**500 (VALET)**  
 HOTEL : 500 (50%)

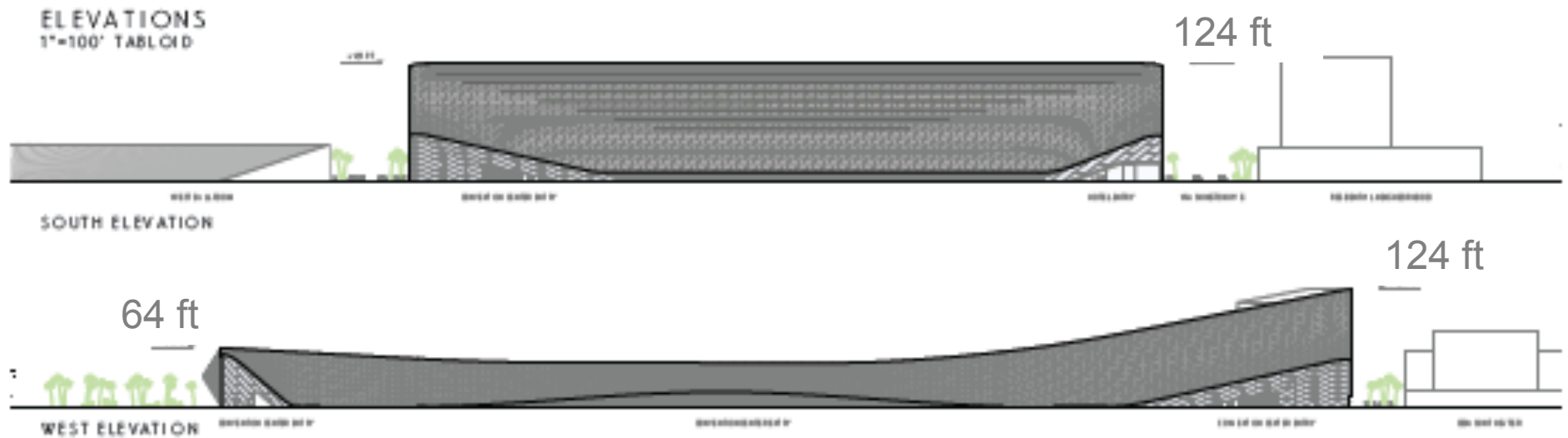
**1,750**  
 EXISTING: 1450  
 17TH ST RESIDENTIAL: 154 (100%)  
 F&B / CULTURE : 130 (100%)  
 EXTRA = 15



# Height

May 15, 2013

## Portman-CMC

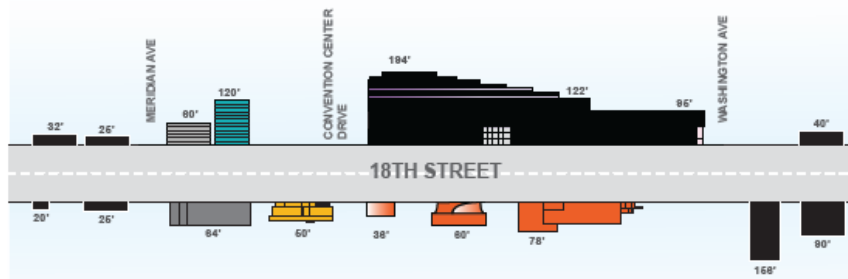




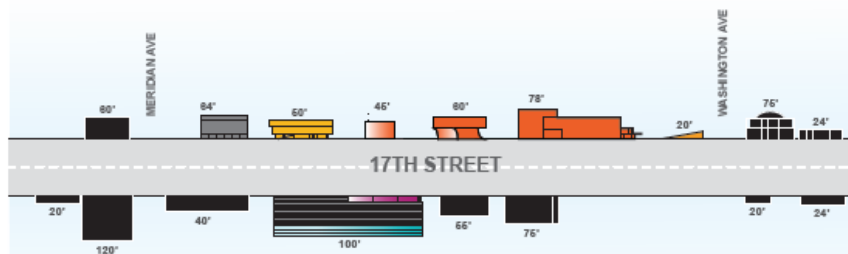
# Height

May 15, 2013

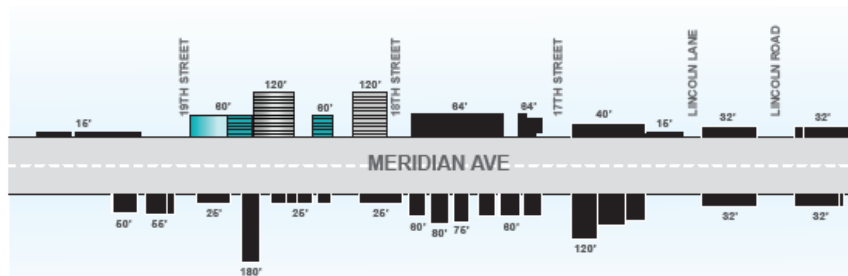
## South Beach ACE



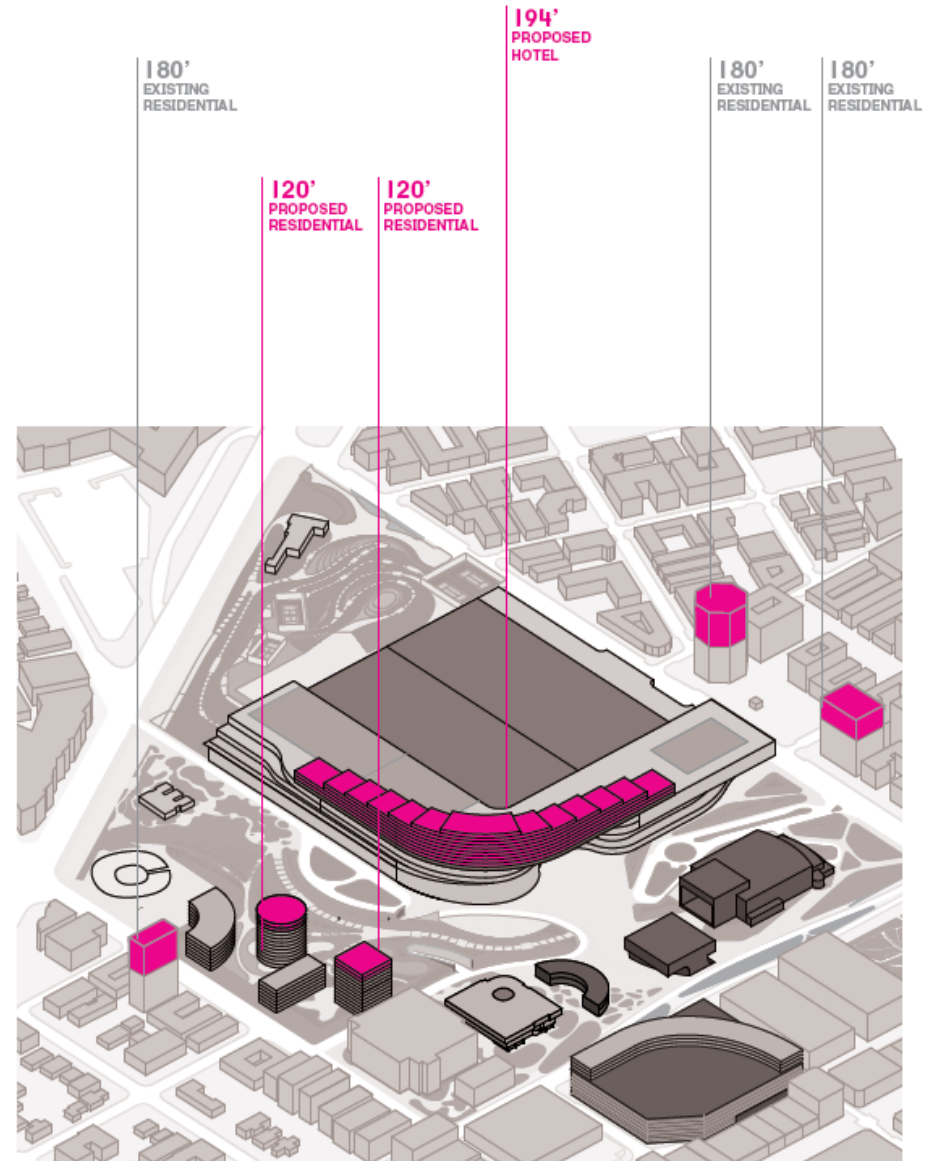
Elevation along 18th Street



Elevation along 17th Street



Elevation along Meridian Avenue





# Other Program Elements

Portman-CMC

South Beach ACE

Rebuilt at Developer cost  
Above retail/cultural buildings  
North of 17th

555 17<sup>th</sup> City  
Office Building on  
17<sup>th</sup> Near Penn.  
Ave.

Rebuilt at Developer Cost  
Along West Concourse of Center,  
upper level

Same as above

Office Space in  
Community  
Center

Same as above

Rebuilt at Developer cost within  
NE corner of Center

Community  
Center

Rebuilt at Developer Cost within  
the parking structure North of  
Center

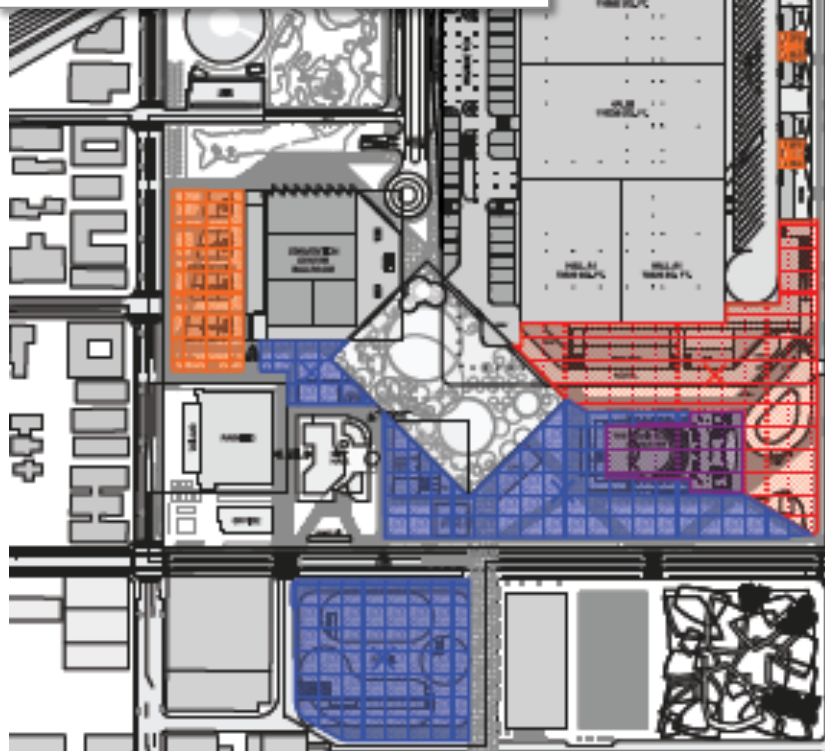
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# Lease Areas

## Portman-CMC

Residential	SF
- Footprint	74,500
- Subterranean	165 parking under BR
17 <sup>th</sup> Street Garage	126,592
Other Retail	186,008
Hotel	
- Footprint	183,500
- Subterranean	-
Cultural	Inc in retail
Theater	43,000
Total	
- Footprint	430,100
- Subterranean	165 parking under BR



## South Beach ACE

Residential	SF
- Footprint	39,350
- Subterranean	145,305
17 <sup>th</sup> Street Garage	126,592
Other Retail	14,600
Hotel	
- Footprint	22,850
- Subterranean	126,561
Cultural	5,340
Theater	-
Total	
- Footprint	208,732
- Subterranean	271,866



# Hotel Lease Proposal

May 15, 2013

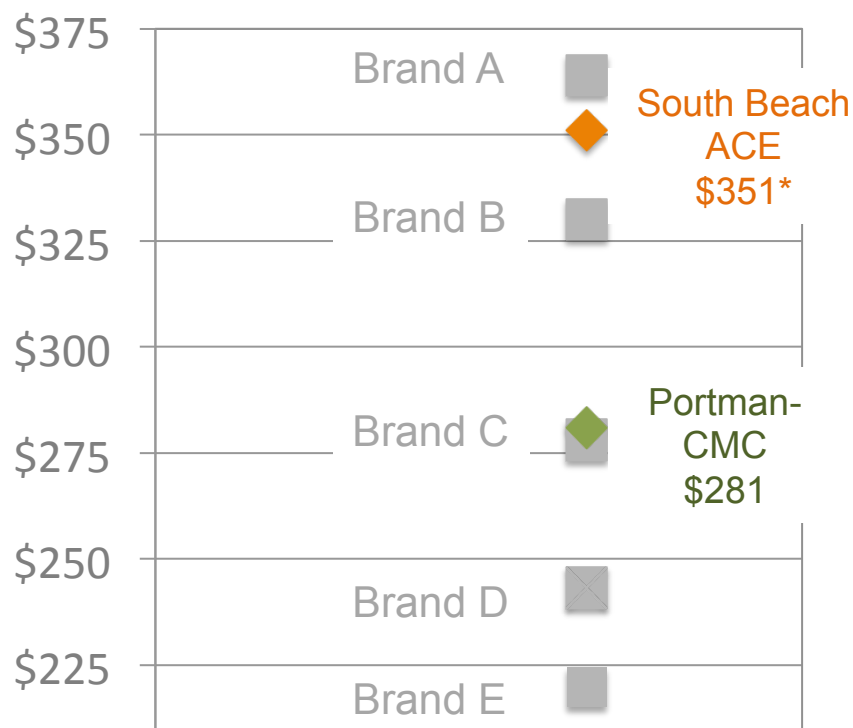
Portman-CMC		South Beach ACE
Hotel Parking	Program	Hotel Parking 40,000 sf F&B Venue
\$281 @ 75% \$237 @ 78%	2019 Performance 2013\$	\$351 @ 76% \$244 @ 78 %
\$2.8m Increasing 2% annually Adjusted in Year 31, and every 10 years thereafter, to 3% of gross revenues	Fixed Rent	Year 1: \$1.5m Year 2: \$3.0m Year 3-10 \$3.5M Year 11-20 \$4.5m <i>Increasing 10% every 10 years</i>
4.0%	Percentage Rent **	Years 1 - 10: 3% Yeas 11 – 99: 3.5%
\$78m Fixed \$33m Variable * \$111m Total \$138,000/room	Net Present <i>Value</i> (99 years @5%)	\$76m Fixed \$22m Variable * \$98m Total \$122,500/room

\* For comparison, growth limited to 2% annually. This is less than both Developer's projections.

\*\* Percentage Rent is the maximum of the Fixed Rent and gross revenues multiplied by the percentage.

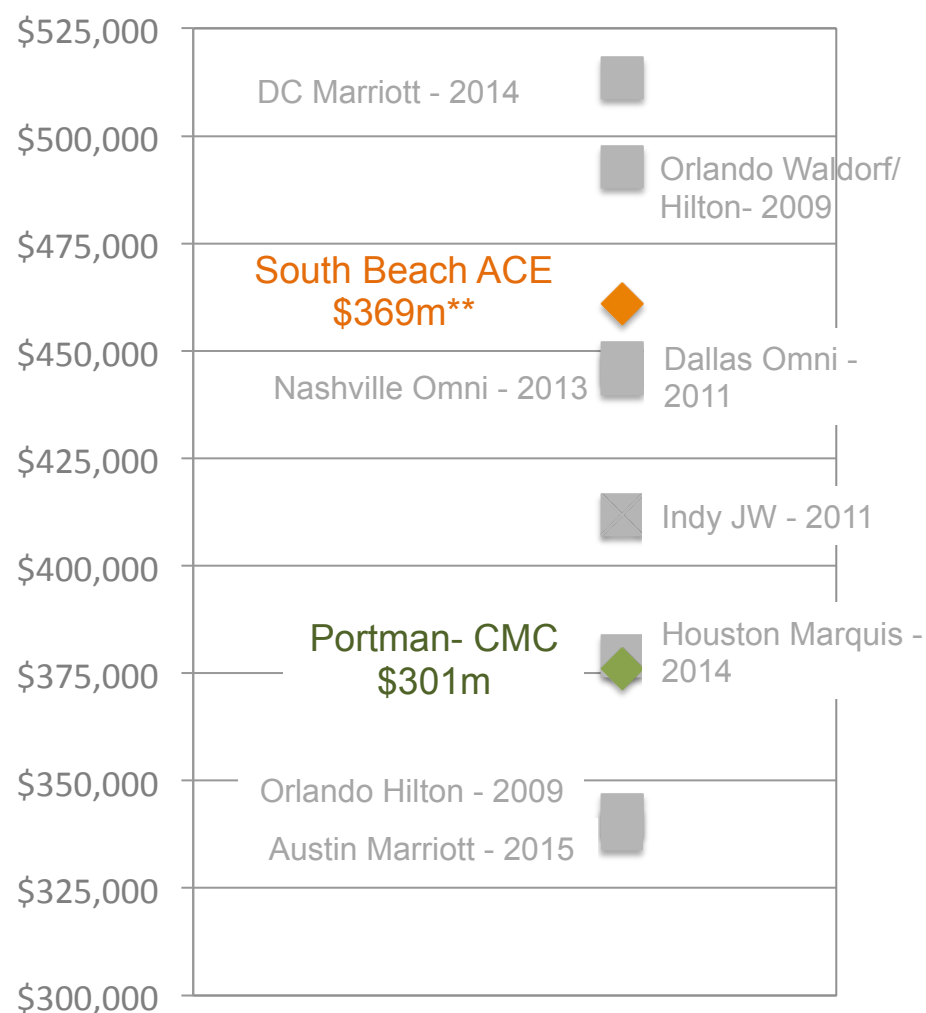
# Hotel Positioning

Average Daily Rate  
Year 2019



ADR	Developer 2013\$	Expected Annl. Growth	ADR 2013\$@3%
Greater Miami			\$164
Miami Beach			\$227
Portman	\$237	2.88%	\$235
SB Ace	\$244	7.25%	\$294

Cost per Room



\*Proposed higher pricing may require modification to the submitted Room Block Agreement pricing.

\*\*Hotel and parking only. Excludes 40,000 SF F&B Venue.

Historical comparable cost per room amounts escalated assuming an average of 4% per year.

Brand ADR projections from Hilton, Hyatt, Marriott, Omni and Starwood.



# 17<sup>th</sup> Street Garage & Other Spaces

May 15, 2013

Portman-CMC		South Beach ACE
1,606 parking spaces 125,000 sf retail/rest. 61,000 sf Cultural	Program	1,750 parking spaces 59,500 sf retail/rest. 13,000 sf Cultural
\$10/space/day in 2016 \$120 retail/rest rent/sf	Performance \$7.27/space/day 2012	\$15/space/day 2016 \$90 retail/rest rent/sf
\$6.3m Increasing 2% annually	Fixed Rent	\$6.0m Increasing 10% every 10 years
25%	Percentage Rent **	10%
\$180m Fixed \$25m Variable * \$205m Total	Net Present Value (99 years @5%)	\$133m Fixed \$0m Variable * \$133m Total

\* For comparison, growth limited to 2% annually. This is less than both Developer's projections.

\*\* Percentage Rent is the maximum of the Fixed Rent and gross revenues multiplied by the percentage.

# Parking & Retail NPV Components

Portman-CMC		South Beach ACE
\$205m	Total Net Present value (99 years @ 5%)	\$133m
\$57.9m 1,606 Spaces \$10/space/day in 2016 \$36,000/space	17 <sup>th</sup> Street Parking \$7.27/space/day 2012	\$86.5 1,750 Spaces \$15/space/day in 2016 \$49,400/space
\$89.4m 86,000 sf \$1,040/sf	17 <sup>th</sup> Street Retail/Rest.	\$46.5m 59,500 sf \$782/sf
\$40.6m 39,000 sf \$1,040/sf	N. of 17 <sup>th</sup> Street Retail/ Rest.	<i>Included in Hotel Lease</i>
\$17.2m 61,000 sf \$281/sf	Cultural	\$1/year

# Residential Lease Proposal

Portman-CMC		South Beach ACE
P-Lot & Washington Ave. 300 Units	Program	P-Lot Only 261 Unit
\$2.87	Rent/sf 2013\$	\$2.50
\$341,800 Increasing 2% annually	Fixed Rent	\$800,000 Increasing 10% every 10 years <i>If 80 units over 17<sup>th</sup> Street Garage are developed, additional payments will be made</i>
4.0%	Percentage Rent **	4.5%
\$10m Fixed \$2m Variable * \$12m Total \$39,850/unit	Net Present <i>Value</i> (99 years @5%)	\$16m Fixed \$0m Variable * \$16m Total \$61,500/Unit

\* For comparison, growth limited to 2% annually. This is less than both Developer's projections.

\*\* Percentage Rent is the maximum of the Fixed Rent and gross revenues multiplied by the percentage.

# Theater

May 15, 2013

## Portman-CMC

Encumbered by LiveNation  
agreement

2,700 seats

\$18.5m Private Contribution

Propose plan to upgrade Theater  
consistent with Master Plan

Landscape costs for areas around  
Theater are included in Public  
Budget

An amount equating to the  
amount currently received from  
Live Nation

Approximately \$1m annually

Zero net new to City

## Program

## Fixed Rent

## South Beach ACE

Encumbered by LiveNation  
agreement

2,700 seats

Theater costs not included in LOI  
Budget

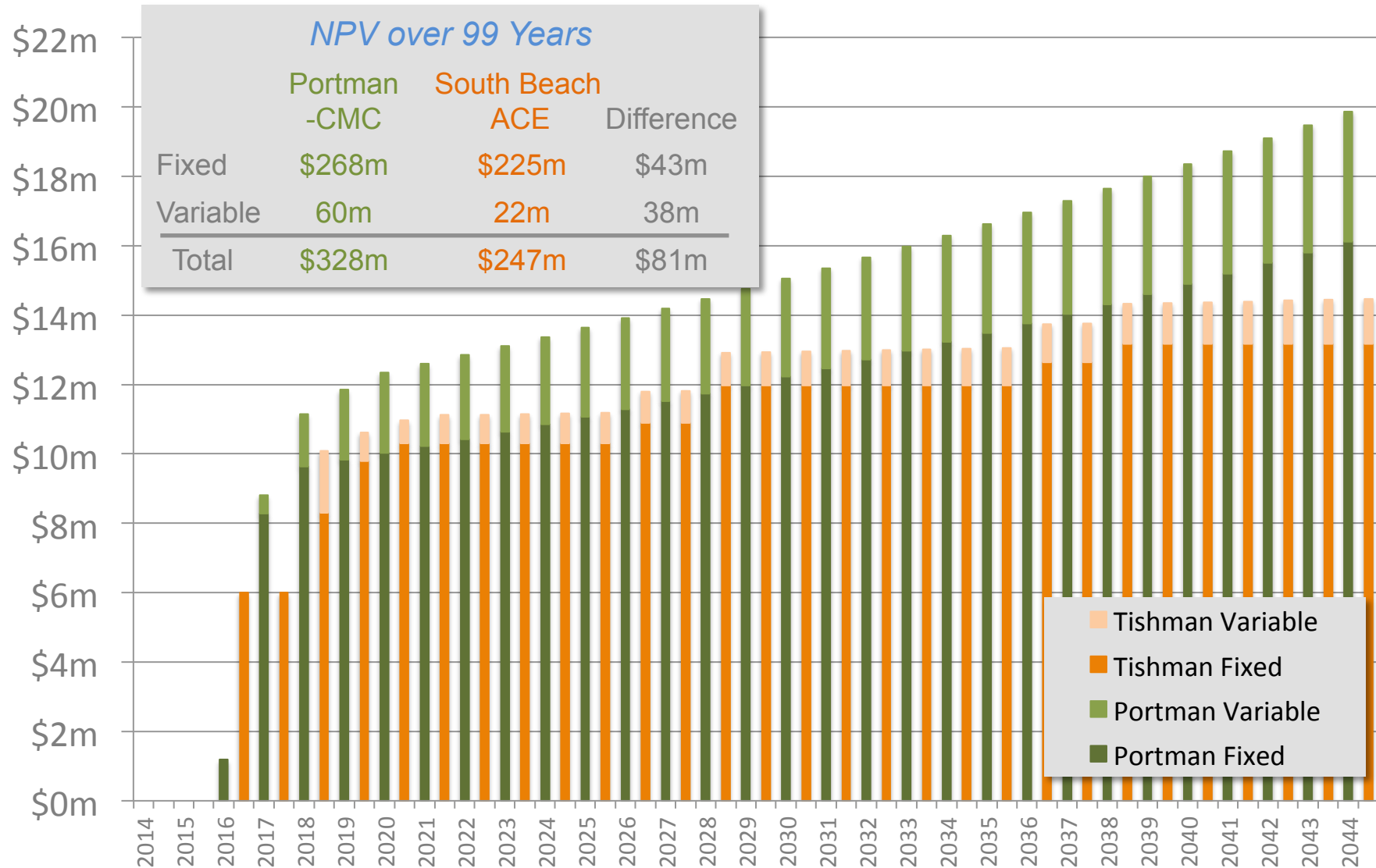
Propose plan to upgrade Theater  
consistent with Master Plan

Landscape costs for areas around  
Theater are included in Public  
Budget

None Proposed

# Total Lease Payments

May 15, 2013



\* Portman fixed lease payment to reset to 3% of gross revenues beginning in year 31 (after bonds repaid), and every 10 years thereafter.



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# Public Cost

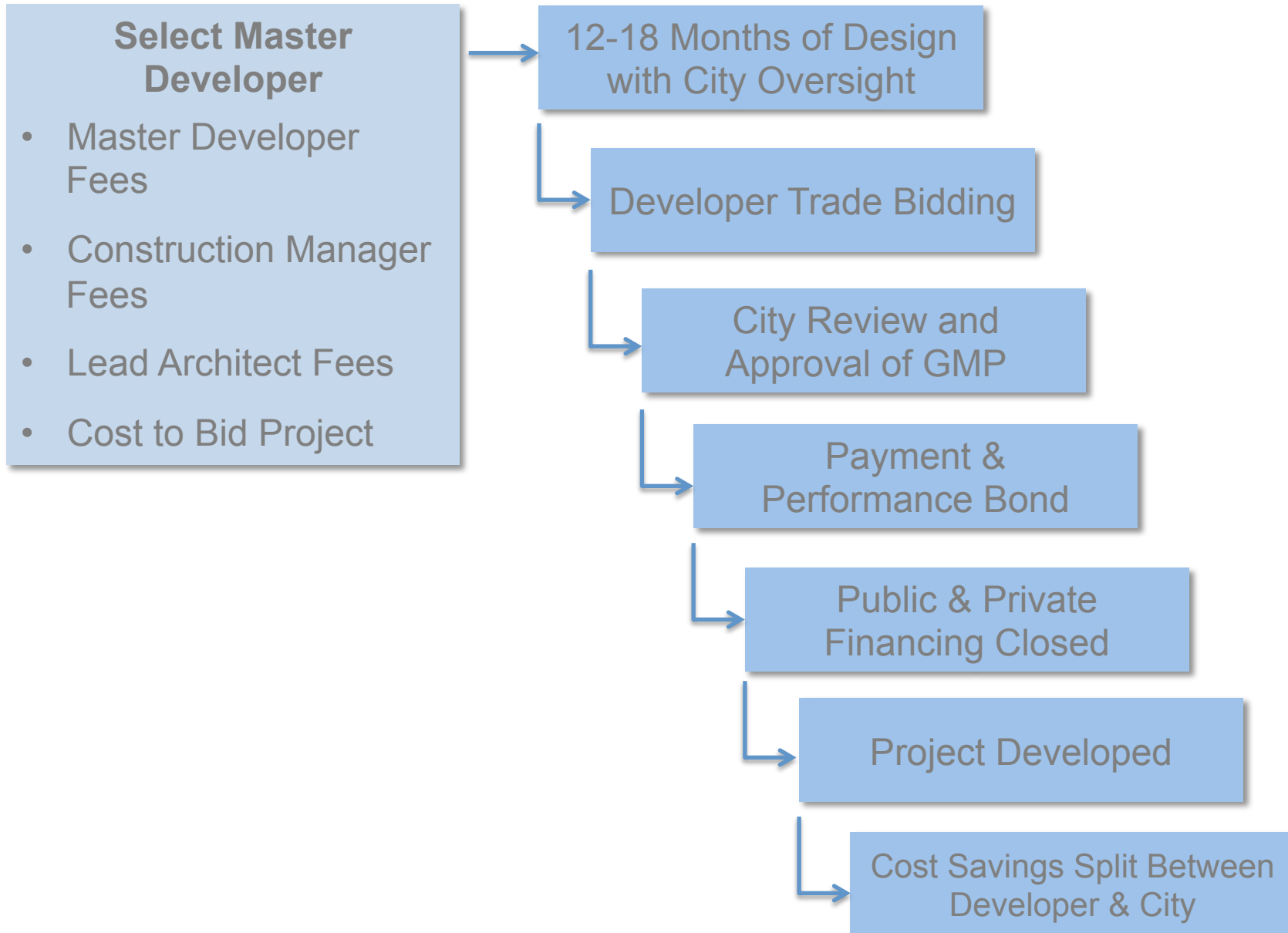
## Capital

- Convention Center
- Convention Center Parking
  - Public Amenities
  - Developer Fees
    - Financing

## Operating

- Operating Support
- Maintenance Reserve
- Replacement Revenues

# Process



# Public Capital

Portman-CMC		South Beach ACE
\$498.0m	Convention Center	\$506.2m
\$22.9m (\$55m - \$32.1m Private Contribution)	Public Amenities	\$60.7m (\$71.3m - \$10.6m Private Contribution)
\$30.4m 1,040 spaces \$29,230/space	Parking	\$57.9m 1,388 spaces \$41,700/space
\$551.2m	Total	\$624.8m
		+73.4m

# Public Fees

Portman-CMC		South Beach ACE
\$15.8m 3% of Development Costs	Developer Fees & Staffing	\$18m 3% of Development Costs
\$9.4m 2.5% of Trade Costs	Construction Manager	\$11m 2.5% of Trade Costs
\$15.0m 4% of Hard Costs	Lead Architects	\$20m 4.25% of Hard Costs
\$18.3m Assumed Design-Build	Pre-GMP/Design-Build Costs	\$53m \$38m Design & Oversight* \$15m Early Construction Assumes GMP
80% to City	Construction Cost Savings	50% to City

\* Indicates a GMP structure which provides for more complete design documents prior to issuing bonds. This cost is included in the budget. South Beach Ace also offered to undertake as design-build at City's option, thereby lowering pre-GMP costs.



# Convention Center Budget

May 15, 2013

Portman-CMC		South Beach ACE
<b>\$377.2m</b>	<b>Hard Costs</b>	<b>\$347.3m</b>
343.8	Trades	320.1
33.4	Construction Manager	27.2
<b>10.0</b>	<b>Phasing</b>	<b>49.1</b>
<b>85.8</b>	<b>Soft Costs</b>	<b>78.5</b>
28.2	Design	21.3
14.9	Developer Fees/Staff	13.1
5.0	City Oversight	3.5
26.1	FF&E/Kitchen	31.4
3.5 (1%) *	Public Art	2.6 (0.75%) *
8.1	Other	6.6
<b>25.0</b>	<b>Contingency</b>	<b>31.3</b>
<b>\$498.0m</b>	<b>Total</b>	<b>\$506.2m</b>

\* Both proposals below the 1.5% requirement. City has option to negotiate a lower contribution, taking into account the size of the project and other Developer contributions (such as public amenities).

# Annual Costs

Portman-CMC		South Beach ACE
\$1.5m annually	Operating Support	\$1.5m annually
\$3m increasing 2% annually	Center Capital Maintenance Reserve	\$3m increasing 2% annually
\$2.5m 17 <sup>th</sup> St. Garage \$1.3m P-Lot	Replace Lost Parking Revenues	\$2.5m 17 <sup>th</sup> St. Garage \$1.3m P-Lot
Estimate \$900,000 annually 85% funded by establishing a Business Improvement District charging <u>Private Components</u> 0.5% of Gross Revenues	Public Amenities Maintenance	Estimate \$1.3m annually Share costs “proportionally”, City costs to be consistent with current levels of maintenance funding

# Proposal Comparison

- Economic Impact
- Teams
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- Public Costs
- **Public Financing**
- Private Investment
- Timeline
- Miscellaneous Terms
- Key Differences

# Resources

## Public

County  
G.O. Bond  
Proceeds  
"\$55m"

New 1%  
Resort Tax

RDA Funds  
Earmarked  
for Center

\$4.5m  
Annual  
CDT  
Allocation

## Public/ Private

Project  
Generated  
Property &  
Resort  
Taxes

Convention  
Center  
Parking  
Revenues

## Private

Fixed  
Land Lease  
Payments

Variable  
Land Lease  
Payments

## Security

Citywide Resort Tax  
Parking Enterprise Fund

# Public Investment

Portman-CMC		South Beach ACE
<b>\$656.5m</b>	<b>SOURCES</b>	<b>\$715.0m</b>
53.6	County G.O. Bonds	53.6
525.1	Center Bond Proceeds	566.2
45.7	Parking Bond Proceeds	73.9
*	1% 2014 Resort Tax	10.7
32.1	Developer Contribution	10.6
<b>\$656.5m</b>	<b>USES</b>	<b>\$715.0m</b>
498.0	Convention Center	506.2
55.0	Public Amenities	71.3
<u>30.4</u>	Center Parking	<u>57.9</u>
583.4	Total Project	635.4
25.3	Capitalized Interest	22.7
41.3	Debt Service Reserve	46.8
6.7	Issuance Cost/Fees	5.7
-	Excess Proceeds	4.4



# Source Contribution

*In millions*

**Portman**

**Tishman**

## SOURCES

County G.O.	\$53.6	\$53.6
1% Resort Tax	257.2	257.2
1% Resort Tax 2014	10.7	10.7
Fixed Land Lease		
Hotel	53.1	57.09
Residential	6.8	12.4
17th Street & Retail	123.3	105.3
-17th Street Parking	34.8	68.4
-17th Street Retail/Rest.	53.8	36.8
-N. of 17th Street Retail/Rest.	24.4	0.0
-Cultural	10.3	0.0
RDA thru 2022	73.1	73.1
Parking Bonds	45.7	73.9
Developer Contribution	32.1	10.6
Project Resort Taxes	1.0	61.2
Other	0.0	0.0
	<u>\$656.5</u>	<u>\$715.0</u>

**\$350m**  
Total Fixed  
Payments over  
30 years

**\$327m**  
Total Fixed  
Payments over  
30 years

Amounts estimated by Strategic Advisory Group. Will request each finance team to refine.

# County G.O. Proceeds/RDA

May 15, 2013

## County G.O Proceeds

Commitment	\$55.0m
Used	(1.4m)
Remaining	<u>\$53.6m</u>

## RDA Funds

2016	\$4.2m
2017	13.6m
2018	14.0m
2019	14.2m
2020	14.5m
2021	14.6m
2022	14.8m
	<u>\$90.0m</u>

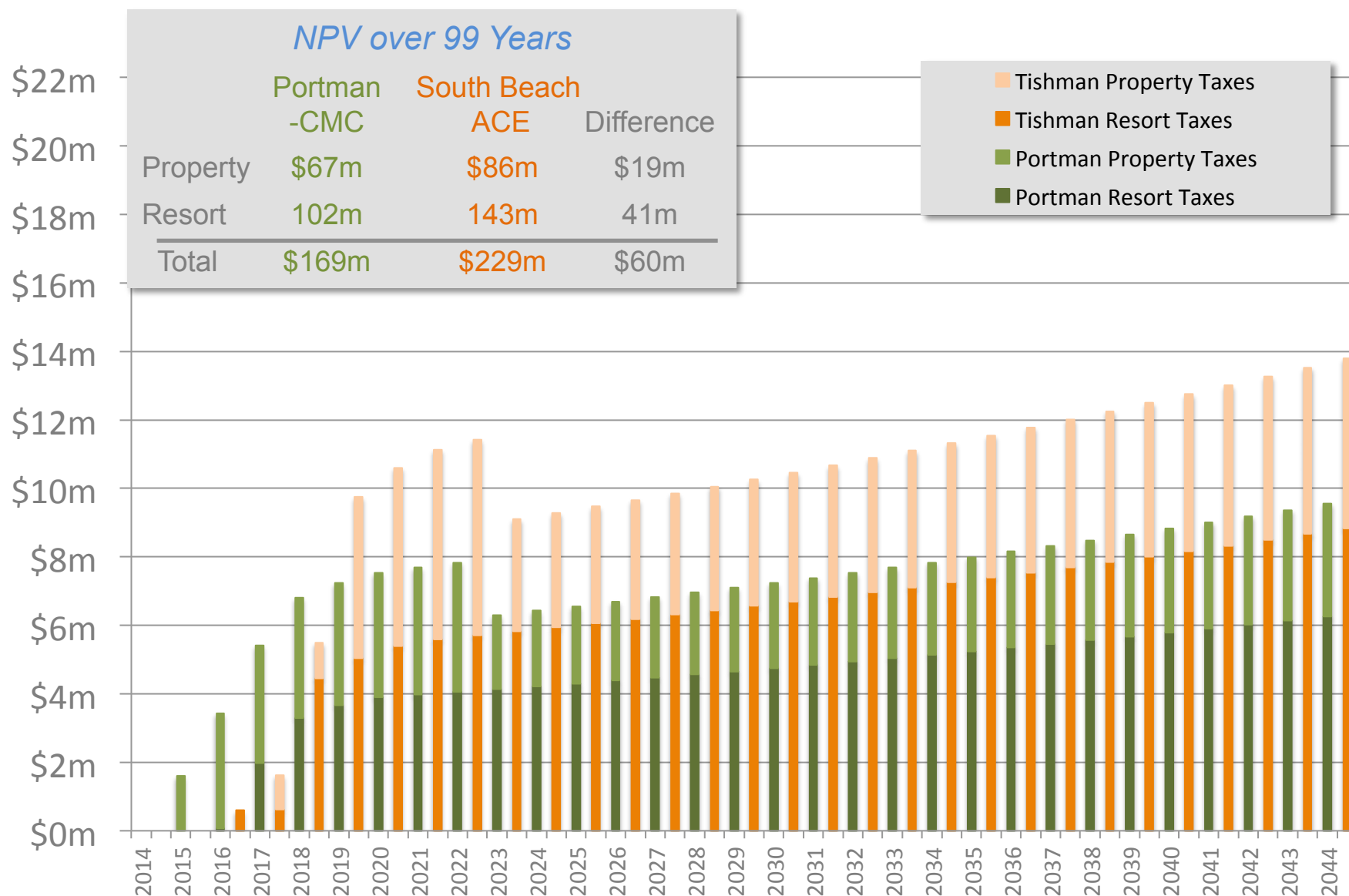
Use in bond issuance will  
require County approval

# Key Public/Private Assumptions

Portman-CMC	2019	South Beach ACE
	<b>Hotel</b>	
\$281	Average Daily Rate	\$351
75.3%	Occupancy	76%
\$149	F&B/ORN	\$147
\$4,797	Property Tax/Room	\$7.315
		(Includes F&B Venue)
	<b>Hotel Specialty Restaurant</b>	
N/A	SF	40,000
	Sales/SF	\$1,545
	Property Tax/	<i>Included in Hotel</i>
	<b>Retail/Restaurants</b>	
93,000/32,000	SF	59,500*
\$895/\$1,194	Sales/SF	\$1,167*
\$19.13*	Property Tax/SF	\$21.45*
	<b>Residential</b>	
\$2,440	Property Tax/unit	\$5,354

\* Amount for combined retail &amp; restaurants.

# Public/Private Resources

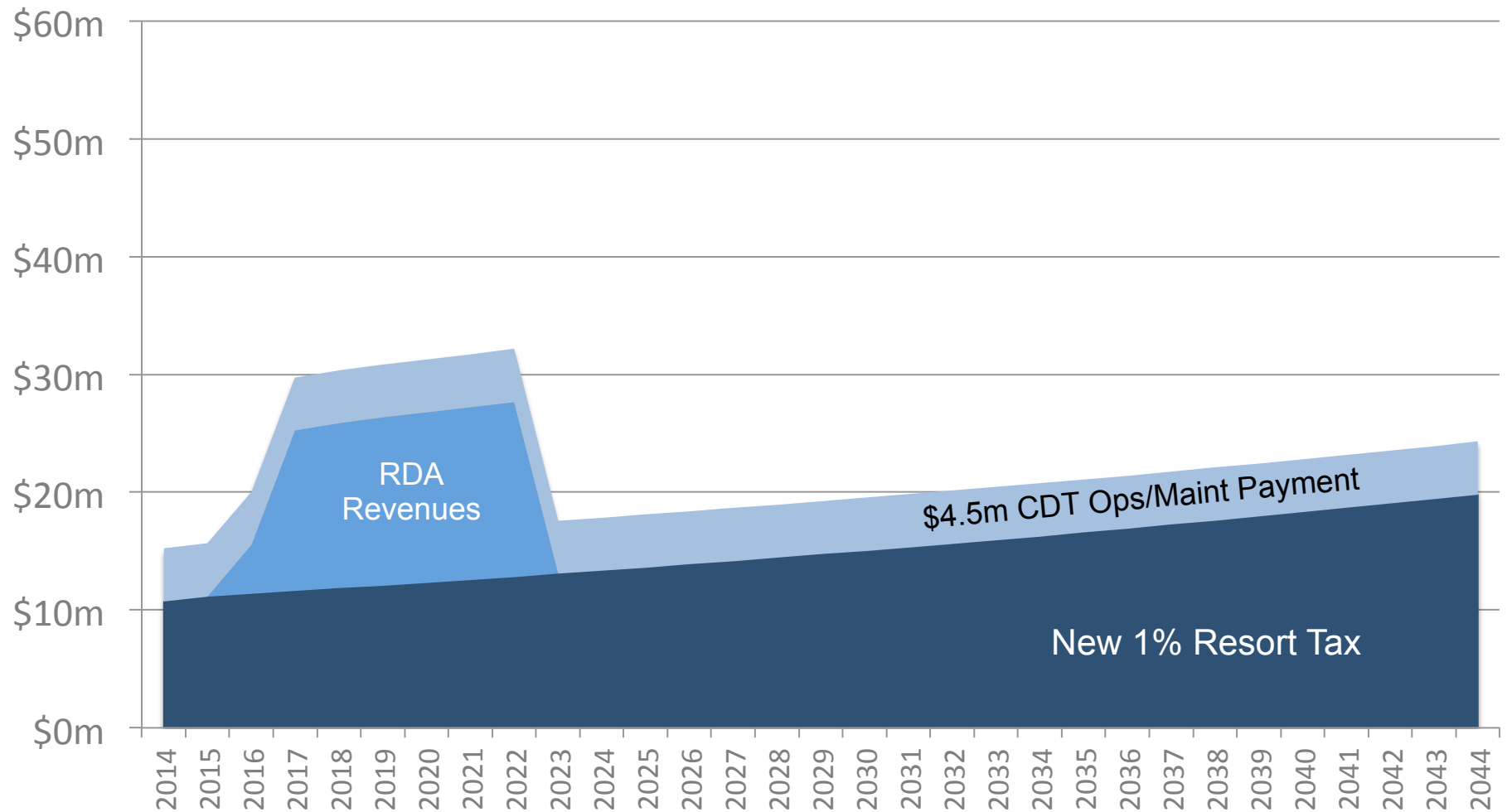


Taxes projected to grow at 2% annually after stabilization

Property taxes include City portion for 99 years plus County portion dedicated to RDA through 2022

# Public Resources

May 15, 2013

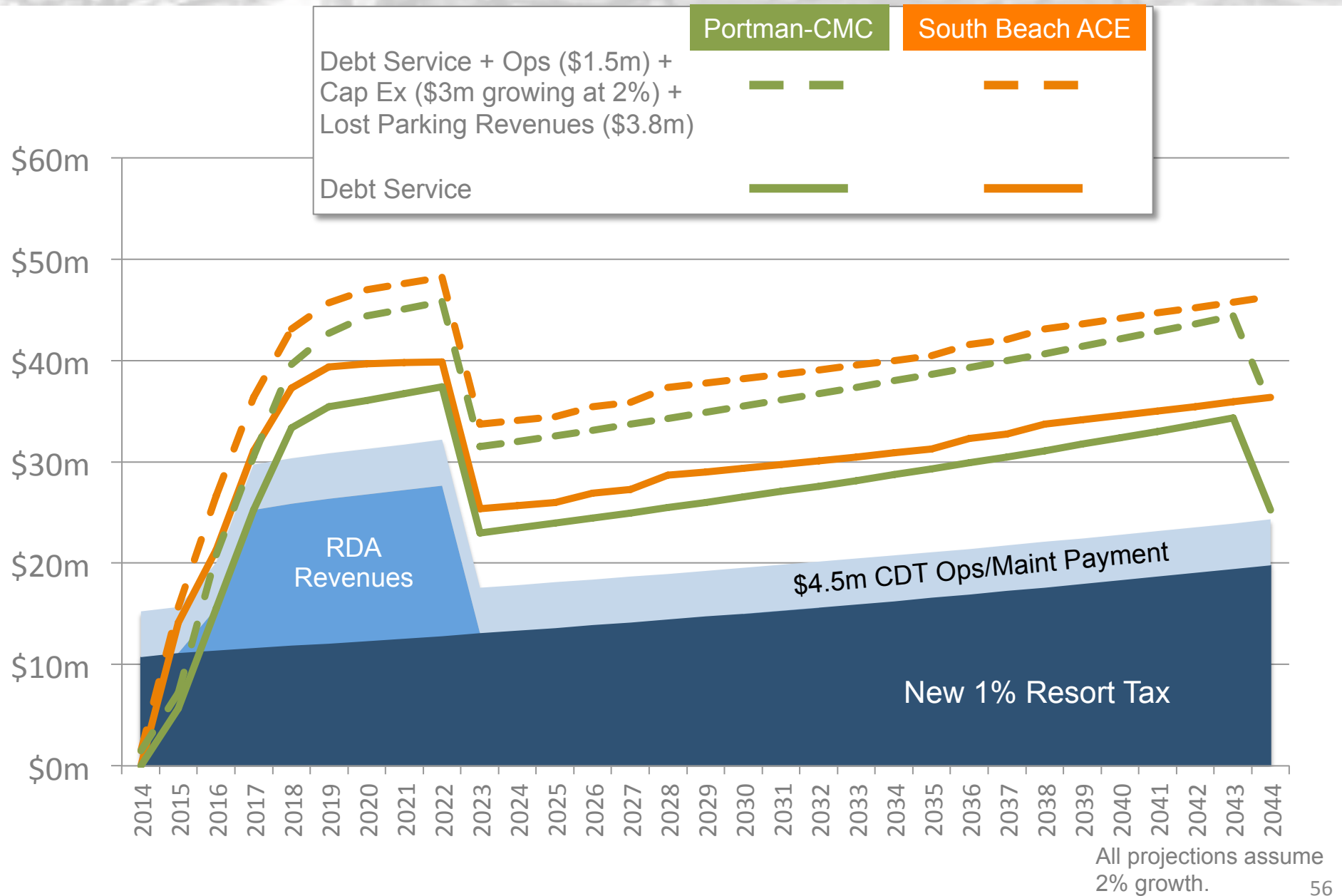


All projections assume  
2% growth.



# Project Needs

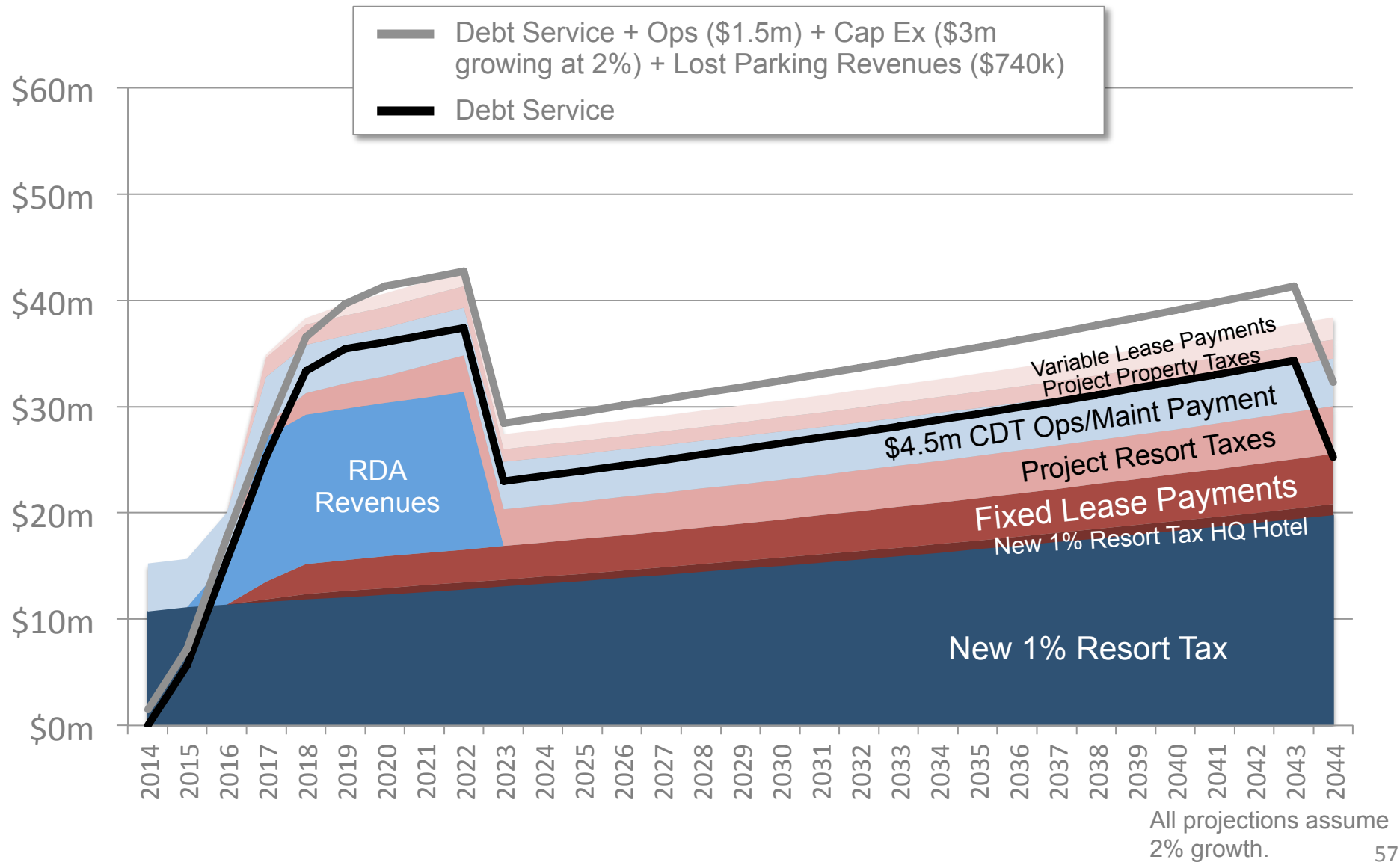
May 15, 2013



# Base Case (Center + Hotel)

May 15, 2013

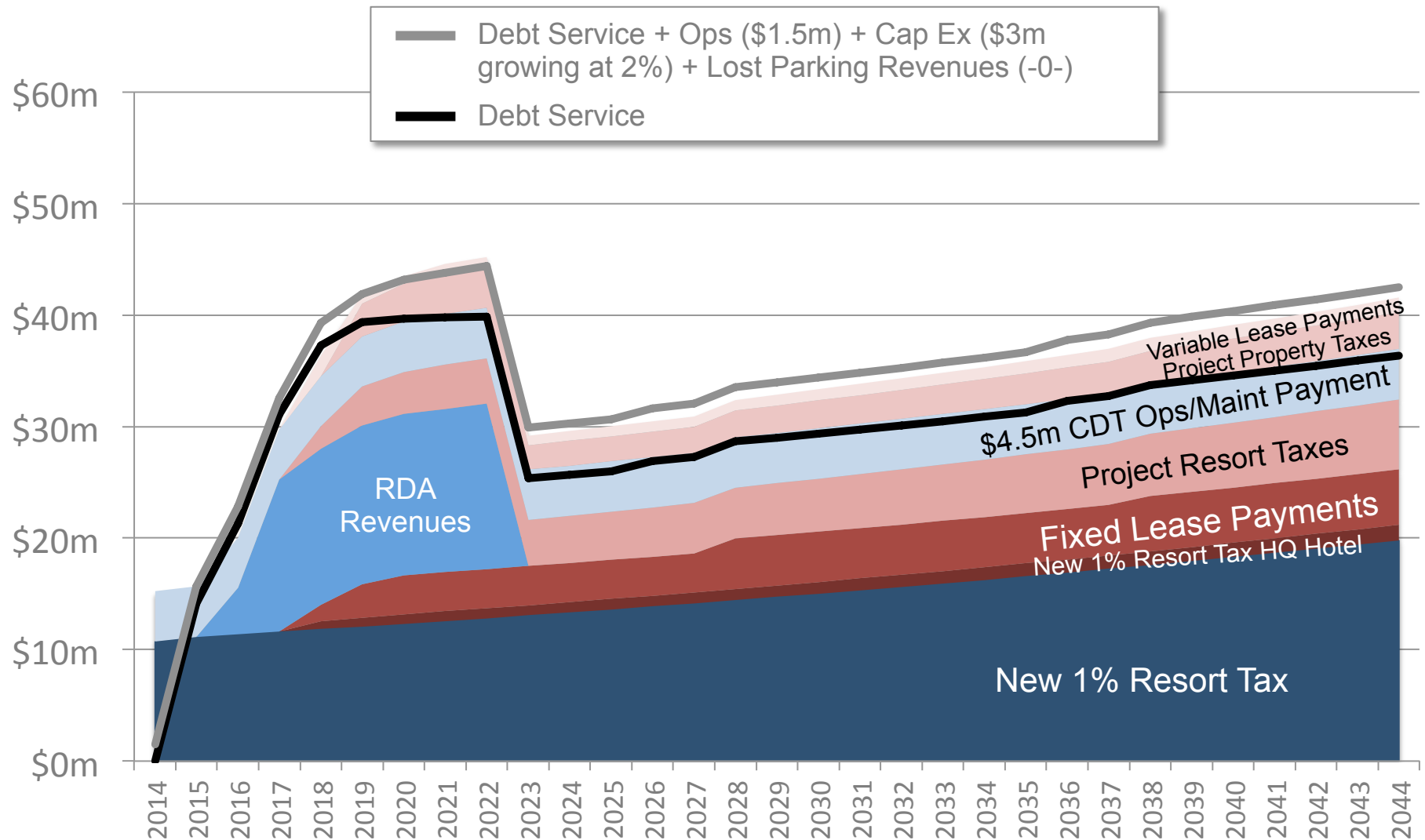
Portman-CMC



# Base Case (Center + Hotel)

May 15, 2013

## South Beach ACE

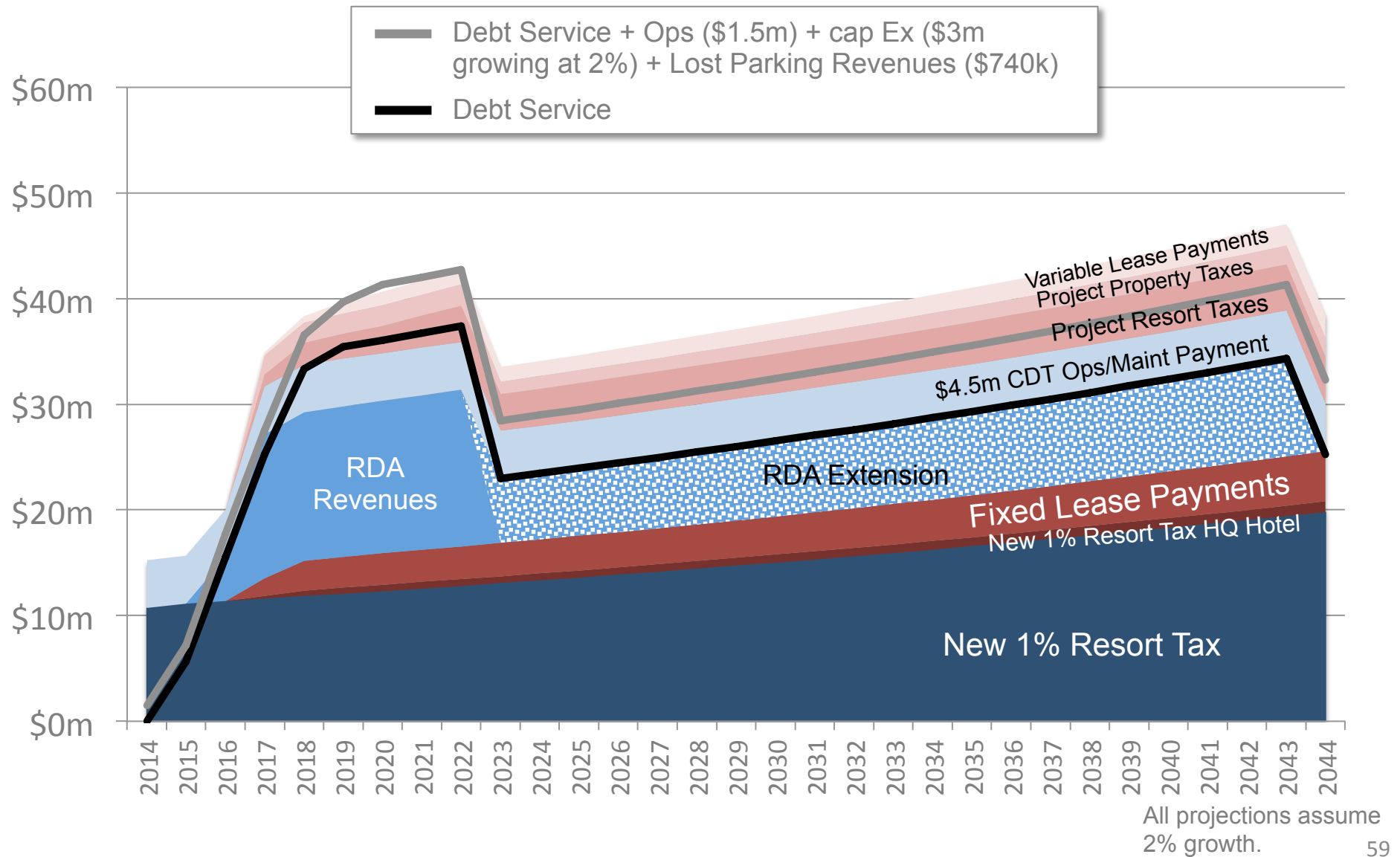


All projections assume 2% growth.

# Base Case (Center + Hotel)

May 15, 2013

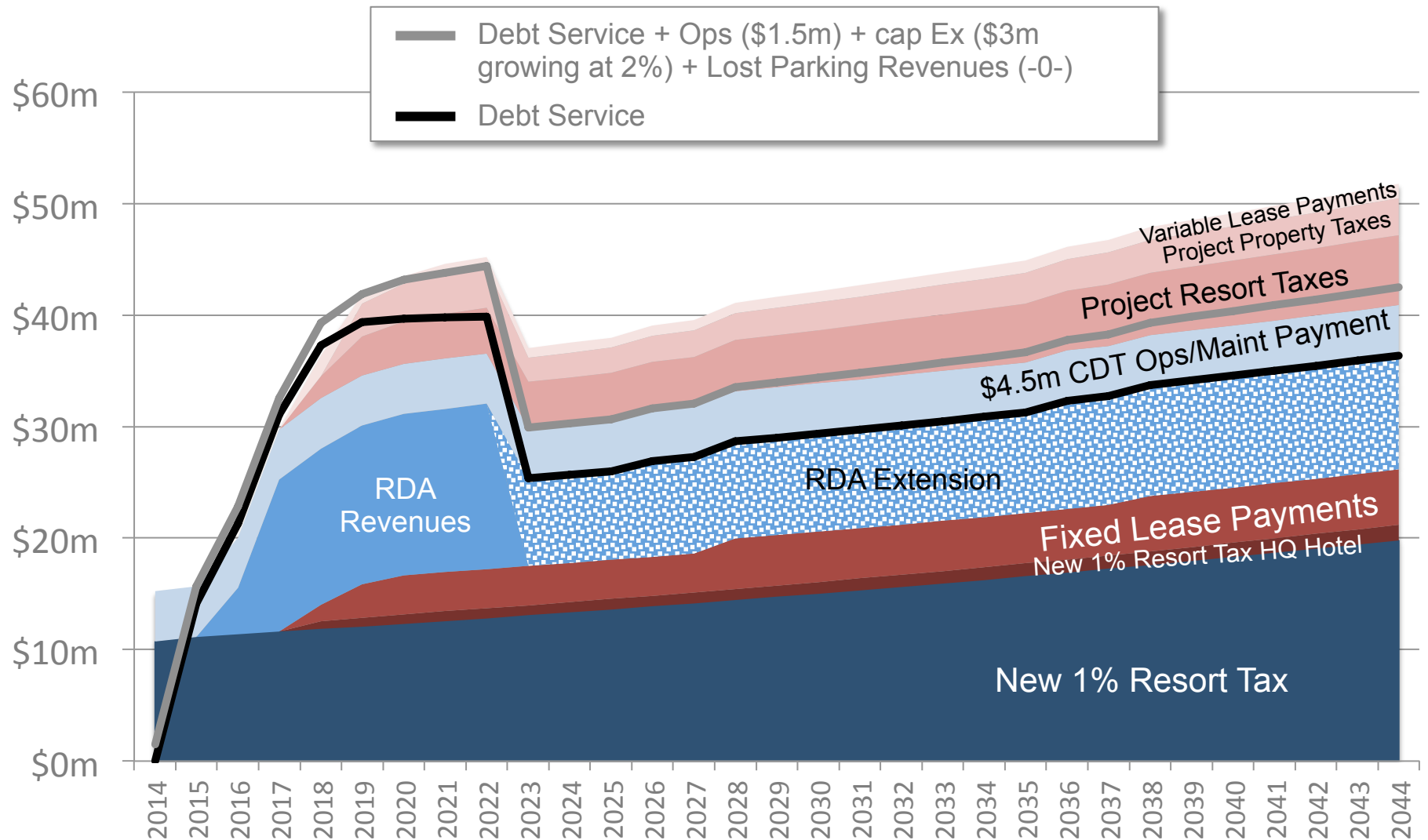
Portman-CMC



# Base Case (Center + Hotel)

May 15, 2013

## South Beach ACE



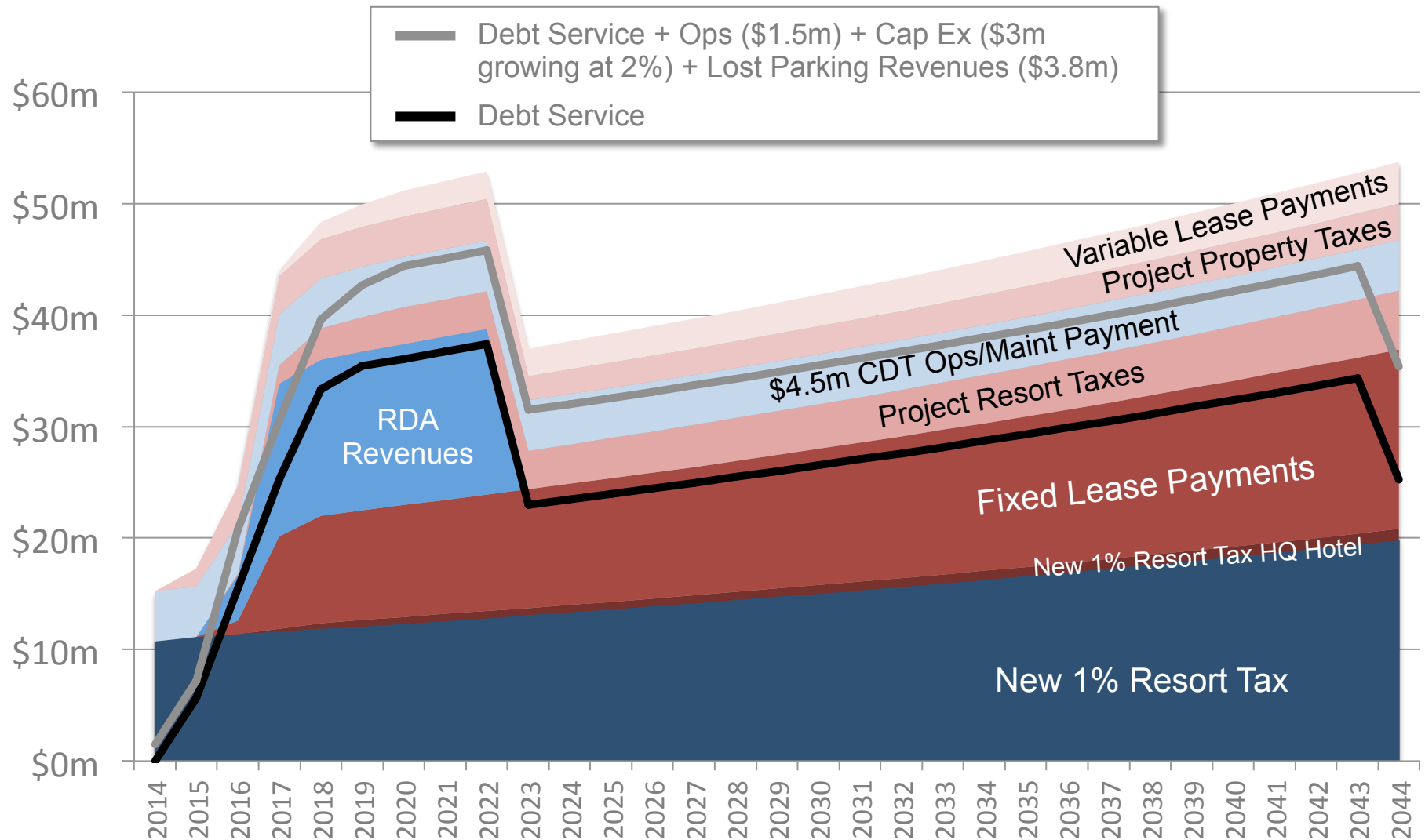
All projections assume  
2% growth.



# All Components

May 15, 2013

## Portman-CMC

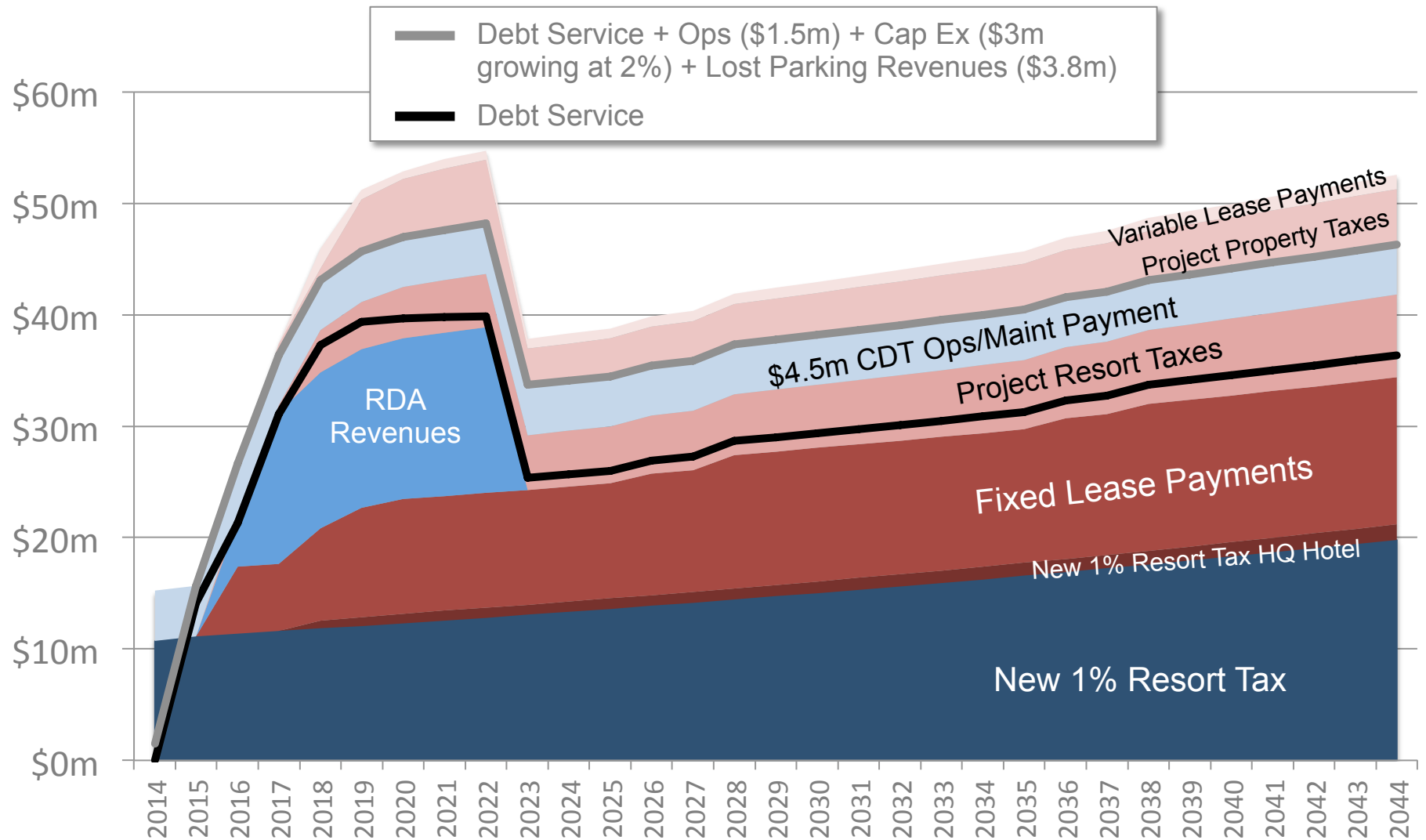


All projections assume 2% growth.

# All Components

May 15, 2013

## South Beach ACE



All projections assume  
2% growth.

# Hypothetical Scenarios

May 15, 2013

	Portman	Tishman	Base Case	Base Case +	Base Case ++
<b>SOURCES</b>					
County G.O.	\$53.6	\$53.6	\$53.6	\$53.6	\$53.6
1% Resort Tax	257.2	257.2	257.2	257.2	257.2
1% Resort Tax 2014	10.7	10.7	10.7	10.7	10.7
Fixed Land Lease					
Hotel	53.1	57.09	55.0	55.0	55.0
Residential	6.8	12.4	0.0	0.0	0.0
17th Street & Retail	123.3	105.3	0.0	15.0	45.0
-17th Street Parking	34.8	68.4	0.0	0.0	0.0
-17th Street Retail/Rest.	53.8	36.8	0.0	0.0	30.0
-N. of 17th Street Retail/Rest.	24.4	0.0	0.0	15.0	15.0
-Cultural	10.3	0.0	0.0	0.0	0.0
RDA thru 2022	73.1	73.1	71.1	71.1	71.1
Parking Bonds	45.7	73.9	46.0	46.0	46.0
Developer Contribution	32.1	10.6	5.0	5.0	5.0
Project Resort Taxes	1.0	61.2	0.0	0.0	0.0
Other	0.0	0.0	176.0	161.0	131.0
	<b>\$656.5</b>	<b>\$715.0</b>	<b>\$674.5</b>	<b>\$674.5</b>	<b>\$674.5</b>

# Center Parking Garage Financing

May 15, 2013

Portman-CMC		South Beach ACE
1,040	Spaces	1,388 1,040 + 348 of Hotel Requirement *
\$30.4m \$29,230/space	Development Cost	\$57.9m \$41,700/space
Center, New Ballroom, Retail, Hotel Overflow, Gleason, Transient, Off-Site Valet	Demand Sources	Center, New Ballroom, Retail, Hotel Overflow, Gleason, Transient, Off-Site Valet
<b>Per Space Per Day**</b>		
\$8.46	Revenue (2018)	\$9.06
\$3.42	Current Surface lots	\$3.42
\$7.27	17 <sup>th</sup> Street (2012)	\$7.27
\$2.32	Expenses (2018)	\$1.04
\$2.41	17 <sup>th</sup> Street Garage (2012)	\$2.41
\$6.14	Net Income (2018)	\$8.02
\$4.86	17 <sup>th</sup> Street Garage (2012)	\$4.86

\* All spaces developed within the Center proposed to be controlled/operated by Center with Hotel/guests paying for use.

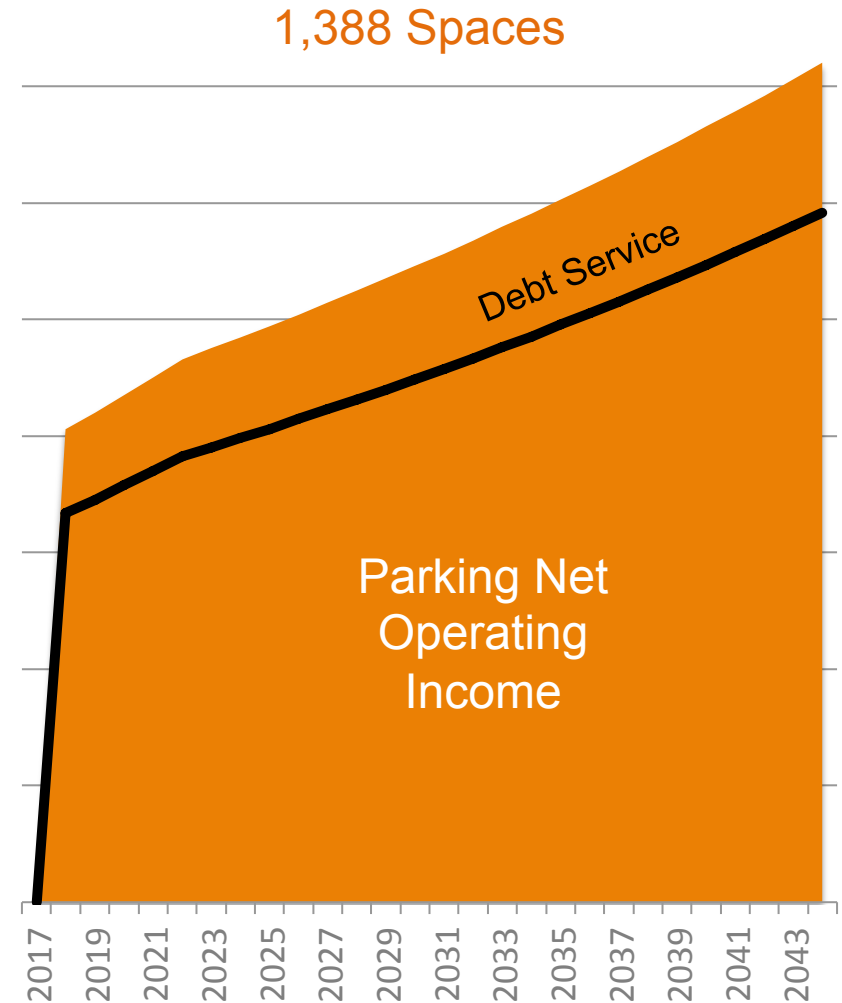
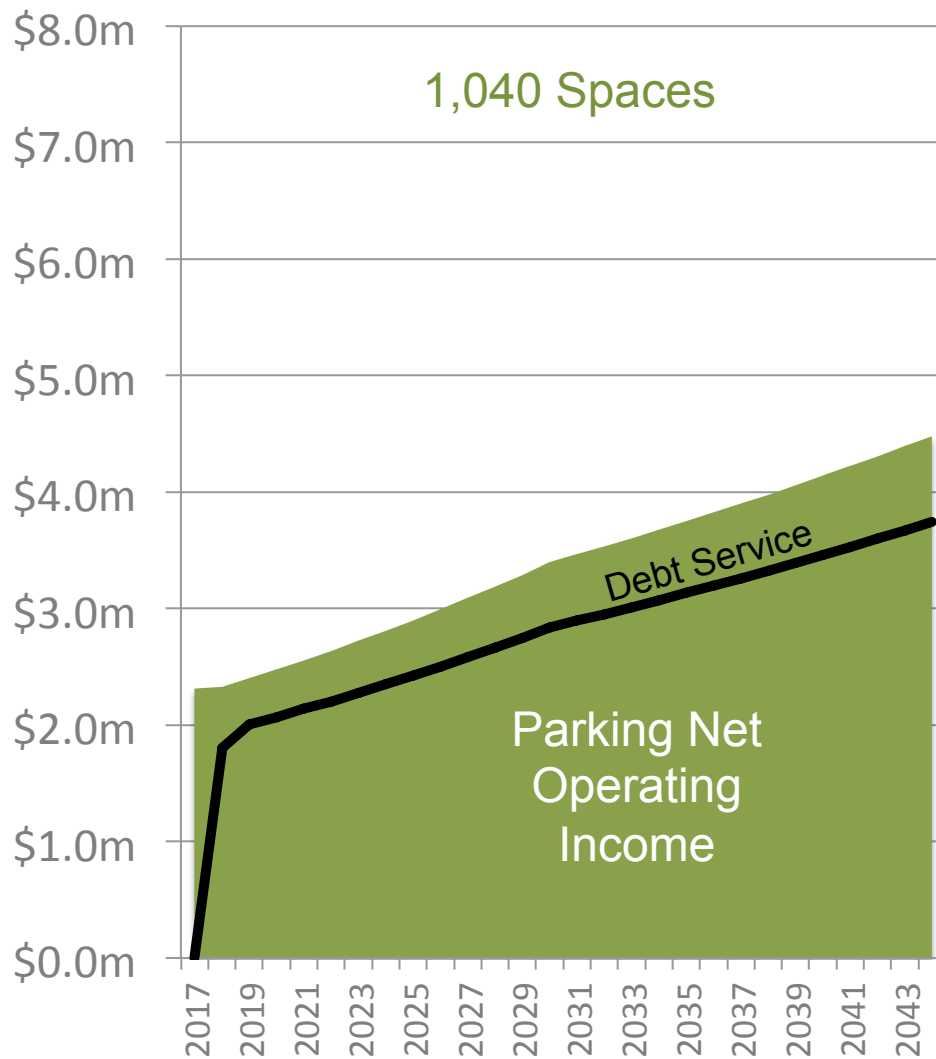
\*\* Have requested Developers to provide support for their revenue and expense projections.

# Parking Finance Plan

May 15, 2013

Portman-CMC

South Beach ACE





# Proposal Comparison

- Economic Impact
- Teams
- Master Plan & Program
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- Public Financing
- **Private Investment**
- Timeline
- Miscellaneous Terms
- Key Differences

# Private Investment

May 15, 2013

Portman-CMC		South Beach ACE
\$301.4m	Hotel *	\$390.9m (includes 21.9m F&B Venue)
92.1 (includes North of 17 <sup>th</sup> areas)	17 <sup>th</sup> Street Garage & Retail *	49.9
99.0	Residential *	112.4
18.5	Theater *	-0-
45.3	Cultural *	6.3
<b>41.2</b>	<b>Contribution to Public</b>	<b>23.5</b>
32.1	Public Amenities	10.5
9.1	Comm. Center/Office	13.0
<b>\$597.5m</b>	<b>Total</b>	<b>\$583.1m</b>

\* Prior to allocation of Public Contribution costs.

# Private Underwriting

May 15, 2013

## Portman-CMC

## 2021

## South Beach ACE

### Hotel

78%  
\$301  
\$114  
10.2%

Occupancy  
ADR  
NOI/Room/Day  
Cash on Cost Return (Yr 4)

78%  
\$384  
\$147  
10.6%

### 17<sup>th</sup> Street

### Garage & Retail

\$15.99  
\$110.70  
\$16.2m  
11%

Parking Revenue/Space/Day  
Retail Revenue/SF  
NOI  
Cash on Cost Return (Yr 4)

\$17.25  
\$99.59  
\$8.3m  
10.2%

### Residential

\$3,164  
\$2,206  
7.4%

Revenue/Unit/Month  
NOI /Unit/Month  
Cash on Cost Return (Yr 4)

\$3,585  
\$2,254  
5.8%

# Private Capitalization

## Portman-CMC

\$364m Debt (61%)  
\$234m Equity (39%)  
 \$598m

## Capitalization

## South Beach ACE

\$297m Debt (50.9%)  
\$286m Equity (49.1%)  
 \$583m

\$46.7m  
 20% of Equity

## Master Developer Commitment

\$57m – \$86m  
 \$20% - 30%

\$187.3m

## Expressions of Interest

AREA Property Partners

Northwood Investors

USAA

Prudential

AIG

Canyon Capital Realty Advisors

Berggruen Holdings

Jamestown

## Other Equity

\$200m - \$229m  
 MetLife

# Debt Expressions of Interest

May 15, 2013

Portman-CMC

HFF

HSBC

J.P. Morgan

SunTrust

PNC Real Estate

BBVA Compass

Regions

Northwestern Mutual

New York Life Investment Mgmt.

Prudential

Mercantil Commercebank

First Bank Florida

City National Bank

Ocean Bank

South Beach ACE

## Debt Letters of Interest

Bank of America

HSBC

Wells Fargo

Ullico

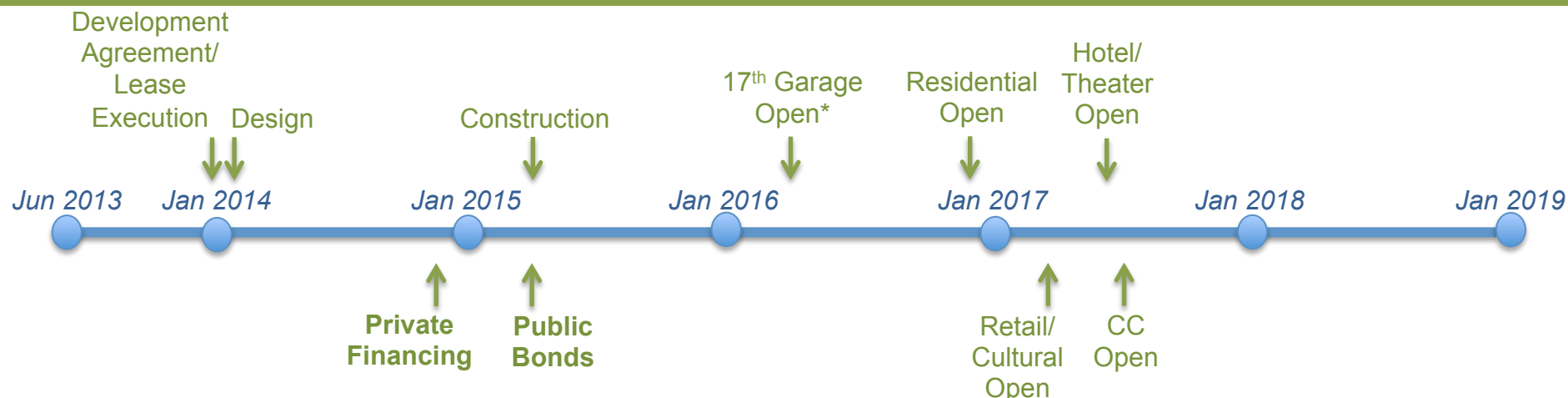
# Proposal Comparison

- Economic Impact
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- **Timeline**
- Miscellaneous Terms
- Key Differences

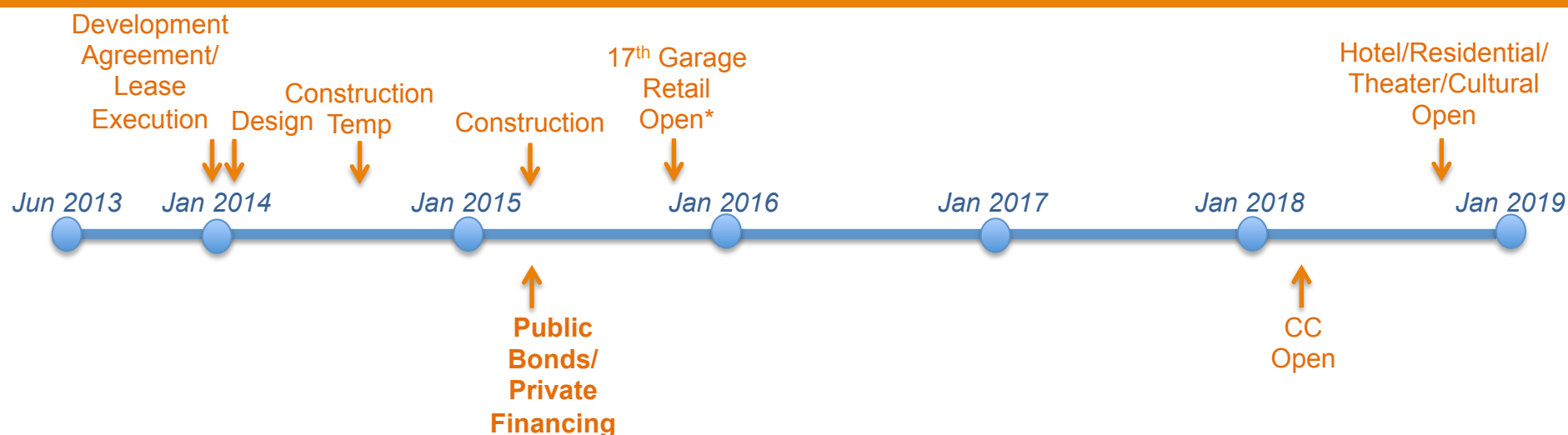


# Development Timeline

## Portman-CMC



## South Beach ACE



\* Garage to remain open during renovation, this would change if Portman new build option is selected.

# Proposal Comparison

- Economic Impact
- Teams
- Master Plan & Program
- Land Leases
- Public Costs
- Public Financing
- Private Investment
- Timeline
- **Miscellaneous Terms**
- Key Differences

# Miscellaneous Terms

Portman-CMC		South Beach ACE
City/Vendor	Convention Center Operator	City/Vendor
\$1m After Development Agreement & Referendum	City Costs	\$1m After Development Agreement & Referendum
LEED Delos WELL Standard	Sustainability	LEED
10.7 acres of rooftop art privately funded, approximately \$25m over 99 year term	Center/Ballroom Arts Roof Installation	N/A
20% Minimum	Disadvantaged Business Goal	20% Minimum
Agreed to City/CVB/Center Language	Hotel Room Block	Agreed to City/CVB/Center Language*
Maintain 'As Is'	Theater Community Benefit Fund	Maintain "As Is"

\* Proposed higher pricing may require modification to the submitted Room Block Agreement pricing.

# Proposal Comparison

- Economic Impact
- Teams
- Master Plan & Program
- Land Leases
- Public Costs
- Public Financing
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# Key Differences

Portman-CMC		South Beach ACE
	Convention Center	
West	Front Door	South
At Grade, P-Lot	Ballroom	Over New Exhibit Hall
	Public Amenities	
22.9 acres	At Grade	23.2 acres
26.4 acres		28.6 acres
<i>Including areas over structure</i>		<i>Including area over dock &amp; parking accessible from grade</i>
\$32.8m	Contribution	\$10.6m
\$281 (2019 ADR)	Hotel Positioning	\$351 (2019 ADR)
\$237 (2013\$)		\$244 (2013\$)
125,000 sf	Retail/Restaurant Program	59,500
		(99,500 sf including Hotel F&B Venue)
Privately Funded Renovation		Plans to renovate upon
Leased from City	Theater	renegotiation of LiveNation
Subject to LiveNation Agreement		contract, costs not in Budget

# Key Differences

Portman-CMC		South Beach ACE
Height Variance		
124 feet	Hotel	194 feet
-	Residential	120 ft x 2 buildings
Lease Areas		
430,100 sf	Excluding Subterranean	208,732 sf
Lead Architects Fee		
4.0%		4.25%
Pre-GMP/ Design-Build Costs		
\$18.3m Assumed Design-Build		\$53m * \$38m Design & Oversight \$15m Early Construction Assumes GMP
Construction Cost Savings to City		
80%		50%

\* Indicates a GMP structure which provides for more complete design documents prior to issuing bonds. This cost is included in the budget. South Beach Ace also offered to undertake as design-build at City's option, thereby lowering pre-GMP costs.



# Key Differences

## Portman-CMC

## South Beach ACE

### Percentage Rent

4.0%

Hotel

3.0%/3.5%

4.0%

Residential

4.5%

25%

Retail/Rest./Park

10%

---

**\$328m**

### Lease NPV

**\$247m**

\$268m

Fixed

\$225m

\$60m

Variable

\$22m

---

**\$54m**

### Net Public Costs\*

**\$149m**

\$551m

Project Costs

\$625m

(\$328m)

NPV Lease Value

(\$247m)

(\$169m)

NPV Project Gen.  
Tax

(\$229m)

\*Funded by dedicated 1% Resort Tax approved by voters.